1999 Welfare Reform

Annual Report





ARIZONA DEPARTMENT OF ECONOMIC SECURITY

John L. Clayton, Director

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INCLUDES

Executive Summary Section I – Work First. Work Activities. Work Participation Rate. Section II – Support Services. Transportation Employment Transition Program. Transitional Medical Assistance. Section III – Child Care. Section IV – Caseload Data Cash Assistance Exit Study	1 5 5 7 9 10 11 14 19
Transitional Medical Assistance	11
Cash Assistance Exit Study Food Stamps Exit Study	19 20
Section V – EMPOWER Redesign	24
Time Limited Benefits	24
Sanctions Section VI – TANF-Related Programs	28 29
Short Term Crisis Services	29
Immigration	31
Food Distribution Tribal Welfare Reform Activities	32 32
Child Welfare	34
Arizona Works	36
Appendices	37

Table of Contents

Exe	cutive Summary	1
Sect	tion I – Work First	5
•	Work Activities	5
•	Participants Placed in Employment	6
•	Wages at Placement	6
•	Types of Placements	7
•	Adult TANF Cases Closed Due to Earned Income	7
•	Work Participation Rate	7
•	Job Retention Rate	8
•	JOBStart	8
Sec	tion II – Support Services	9
•	Transportation Services	9
•	Wheels to Work	9
•	Character Education	10
•	Young Fathers	10
•	Employment Transition Program	10
•	Vocational Education	11
•	Transitional Medical Assistance	11
•	Domestic Violence Post Shelter Training	12
•	Fair Labor Standards Act (FLSA)	12
•	Life Skills	12
•	Parenting Skills	13
•	Post Employment Education Program	13
•	Rural Business Technical Assistance Program.	13
Sect	tion III – Child Care	14
•	Increasing the Number of Child Care Providers	16
•	Improving Access to Child Care	18
•	Improving the Quality of Child Care	18

Sec	tion IV – Caseload Data	19
•	Cash Assistance Exit Study	19
•	Food Stamp Exit Study	20
•	Caseload Trends	21
•	Length of Time on Cash Assistance	22
Sec	tion V – EMPOWER Redesign	24
•	Time Limited Benefits	24
•	Family Benefit Cap	26
•	Unwed Minor Parents	26
•	Individual Development Accounts (IDAs)	27
•	Sanctions	28
Sec	tion VI – TANF-Related Programs and Services	29
•	Short Term Crisis Services (STCS) and Emergency Shelter Services	29
•	Short Term Crisis Services (STCS) and Emergency Shelter Services Out-of-Wedlock Births	29 30
•	Out-of-Wedlock Births	30
•	Out-of-Wedlock Births	30 31
•	Out-of-Wedlock Births Immigration Food Distribution	30 31 32
•	Out-of-Wedlock Births Immigration Food Distribution Tribal Welfare Reform Activities	30 31 32 32
•	Out-of-Wedlock Births Immigration Food Distribution Tribal Welfare Reform Activities Child Welfare Data	30 31 32 32 34
•	Out-of-Wedlock Births Immigration Food Distribution Tribal Welfare Reform Activities Child Welfare Data Accuracy, Timeliness and Satisfaction	30 31 32 32 34 34

Executive Summary

The Department of Economic Security (DES) is the state's human service agency, responsible for the administration of such programs as Cash Assistance, Food Stamps, Job Training and Child Protective Services. This report describes the accomplishments and initiatives of Arizona's welfare reforms and provides statistical data, and charts and graphs that illustrate the impact of Arizona's welfare reform policies for State Fiscal Year (SFY) 1999 as compared to SFY98. The data in this report is based on the Department's administrative systems unless otherwise noted.

History

In 1995, Arizona obtained federal approval for a comprehensive welfare reform initiative, Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER). This waiver positioned the state to take advantage of the new flexibility given to states under the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Arizona's Executive and Legislative branches utilized the existing EMPOWER waiver to enhance the state's welfare program through the EMPOWER Redesign initiative. This report summarizes some of the key accomplishments and initiatives of Arizona's EMPOWER Redesign program that promotes work and personal responsibility. The report also includes findings from the Department's recently concluded Cash Assistance Exit Study.

Work First

The Department continues its emphasis on the work first approach. Arizona exceeded the federally prescribed work participation rates for both all families and two-parent families. The state also significantly exceeded the required federal participation rate for single-parent families for the second year in a row. The Department's Jobs program served 25,209 cases or 89 percent of adult Cash Assistance cases in SFY99. The Jobs program also placed 9,604 Cash Assistance recipients, or 34 percent of Jobs participants, into jobs during State Fiscal Year (SFY) 1999. These placements were in a wide variety of occupations ranging from professional, technical, managerial, sales, clerical and the service industry. In SFY99, the average wage at placement was \$6.59, a 7 percent increase over the average wage at placement in SFY98.

While 25 percent of Cash Assistance cases were officially closed due to employment, the Department's Cash Assistance Exit Study found that *54 percent* of individuals reported they left Cash Assistance due to employment or increased earnings. The Cash Assistance Exit Study also found that *65 percent* of all cases closed did not return to Cash Assistance within 12 months of case closure. During SFY99, 8,333 cases were sanctioned, with 6,041 cases closed due to non-compliance.

For many families, while work is the first step towards leaving welfare, additional services are needed to assist these families in achieving self-sufficiency. The Executive and Legislative branches recognize the importance of programs and services that help individuals to keep a job

once employed and education and training opportunities to improve their employment skills. These services promote job retention, wage progression and career development. Other services are aimed at preventing low-income families from becoming dependent on cash assistance. This model of work and supportive services provides a balanced approach to foster financial independence.

Supportive Services

Many families need supportive services to be self-sufficient. Problems such as low job skills, lack of education, transportation needs, domestic violence, and unsettled family situations keep some individuals trapped in welfare dependence. New supportive services are designed to assist participants to remain employed and to upgrade their job skills to promote wage and career advancement.

The Department expanded and implemented new supportive services including: Young Fathers, Employment Transition, Domestic Violence Post Shelter Training, Life Skills, Post Employment Education, child care rate increases, expand child care income eligibility criteria, Wheels to Work, and is in the process of implementing such programs as Character Education.

The supportive services include post-employment training for recipients who have obtained employment, expanded case management and courses for personal development and employment retention. In addition, the Department now offers support services to non-custodial parents who previously had no services available to them. Supportive services such as remedial education, vocational training, job readiness and job placement services help the young, non-custodial fathers to become more involved in the lives of their children.

Arizona continues to offer twenty-four months of transitional medical assistance for those who leave Cash Assistance for work. Medical assistance is a vital support that assists families in their transition from welfare to work. Transportation is another barrier facing families as they strive for self-sufficiency. The state's new Wheels-to-Work program offers an innovative approach that matches Cash Assistance recipients who have a job offer with a donated vehicle. Individuals who donate a vehicle for the Wheels-to-Work program may receive a state tax credit of up to \$1,500.

Child Care

The state also recognizes the importance of affordable, quality child care in moving people from welfare to work. The commitment of the Governor and the Legislature enabled the Department to expand accessibility of child care to low income families. In SFY99, the income eligibility maximum for child care services was increased to 165 percent of the federal poverty level (FPL). This allowed more low-income working families to qualify for child care assistance (see Appendix #3). Increased funding for the child care program allowed the Department to serve all families who applied for and were determined eligible for child care. The state also took steps to improve the quality of child care.

Caseload Reduction

According to the U. S. Department of Health and Human Services (DHHS), from August 1996 to March 1999, the Cash Assistance caseload in Arizona decreased by 45 percent. This is greater than the 40 percent caseload decline in the U. S. during the same period. As of June 1999, there were 33,811 cases, including 12,700 child only cases. *This is a 6.9 percent reduction from SFY98. There was a further decline in the average length of time on Cash Assistance.*

During SFY99, Arizona's Cash Assistance and Food Stamp caseloads continued the downward trend. The Food Stamp caseload began to show some signs of slight increases toward the end of SFY99. The Food Stamp caseload increased in March and May 1999. These were the first caseload increases in the past few years.

EMPOWER Cash Assistance policies resulted in \$3.8 million less benefits paid due to the 24-month adult time limit (3,059 adults), and \$3.4 million less benefits paid due to the family benefit cap (7,501 families).

Research

Nationally and locally, interest in what happens to those who leave welfare and Food Stamps has inspired Arizona to conduct an exit study of those who leave assistance. The Department is currently conducting two separate exit studies to determine what happens to recipients and their dependents once they no longer receive Cash Assistance or Food Stamps. Exit study findings will be available during SFY2000.

Arizona was one of seven states to receive federal funding for a Cash Assistance Entrance Study. This Entrance Study will determine what happens to Cash Assistance applicants who may be financially eligible for Cash Assistance but who do not complete the application process. The Entrance Study tracks individuals who applied for Cash Assistance during the period April 1999 through June 1999. The study will follow these individuals for a year. The findings are expected to be released in the fall of 2000.

Statewide Community Collaboration

The success of the state's EMPOWER Redesign program could not be accomplished without the involvement and support of all Arizonans. Each of us has an important role to play in contributing to the success of welfare reform in Arizona. Employers, community and faith-based organizations, municipal governments, Native American tribes, providers, non-profit organizations and the Executive and Legislative branches must establish strong partnerships and work together to help families achieve self-sufficiency.

Building on Success

The data and information contained in this report highlight the accomplishments of Arizona's welfare program. This report gives policy makers the opportunity to continue an on-going review of the impact and effectiveness of our policies, programs and services. As more information becomes available, we can build on our success by targeting activities that increase wages, job retention, assisting those with multiple barriers, and better understanding those at risk

of welfare dependence. We will also be able to improve access to needed support and transitional services to increase long term self-sufficiency. By building on the success of the past, the state will provide the foundation for a brighter future for Arizona's children and families.

Section I - Work First

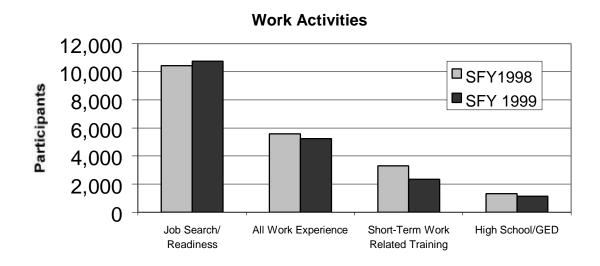
The Department has continued to fulfill its commitment to provide more employment and supportive services to Arizona's welfare families throughout the State Fiscal Year (SFY) 1999. The Department's Jobs Program served 89 percent of adult cases in SFY99. This is a slight increase from SFY98 when 86 percent of adult cases were served.

The DES Jobs Program served over 25,000 people in SFY 1999, or 89% of adult TANF cases.

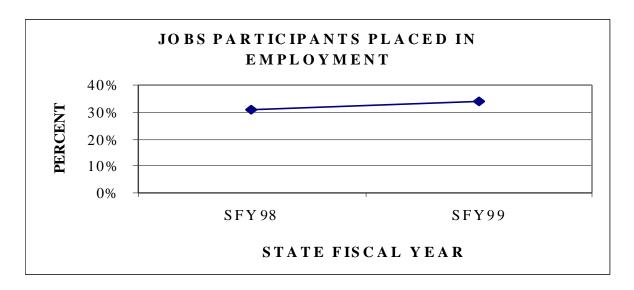
In SFY99, the Jobs Program served 25,209 participants. This is a slight decrease from SFY98 when 30,520 participants were served. The fluctuation is attributed to the statewide decrease in Cash Assistance cases and the implementation of Arizona Works, a privatization pilot that serves TANF and Jobs participants primarily in East Maricopa County. Existing and new supportive services have helped families move from welfare to work and to remain employed. The Department transferred 3,329 of 33,700 cases to the Arizona Works contractor on April 1, 1999.

Work Activities

The Department continues to emphasize work for all Cash Assistance recipients. Following a comprehensive assessment that includes the individual's work history, education, skills and interests, the participant is referred to employment opportunities or placed in an appropriate work activity at the earliest possible opportunity. The Department works with various public and private organizations to locate and develop job openings to facilitate employment.

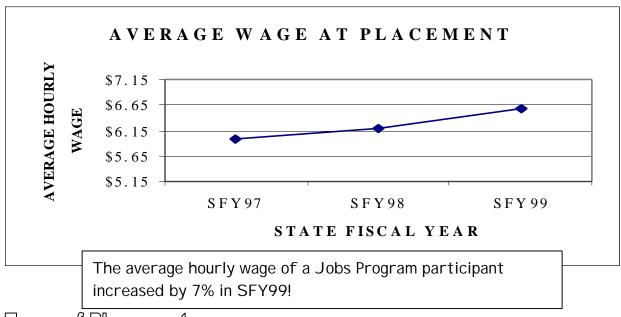


There has been a steady movement toward employment for SFY99. The success of EMPOWER has increased with 34 percent of Jobs participants (9,604 adults) being placed in employment in SFY99 compared to 30 percent (10,930 adults) in SFY98.



Wages at Placement

The Department's Jobs Program continues to place participants in jobs that exceed the federal minimum wage by approximately 28 percent at the time of placement. The average wage for SFY99, was \$6.59 per hour. This is an increase of 7 percent over the average wage per placement in SFY98 at \$6.18 per hour. The average wage for placement in SFY99 of \$6.59 per hour also exceeds the rate of wage increase in Arizona for all occupations and all industries which had a 5.43 percent increase between SFY98 and SFY99.



Types of Placements

The Jobs Program continues to expand the types of employment opportunities and industries that promote long-term employment. For example, the April – June 1999 quarter placements included the following:

- *Professional, technical, and management positions*: 371 participants employed at an average hourly wage of \$7.07
- Clerical positions: 531 participants employed at an average hourly wage of \$6.93
- Sales positions: 264 participants employed at an average hourly wage of \$6.23
- Service positions: 683 participants employed at an average hourly wage of \$5.98
- Agriculture, fishery, and forestry positions: 49 participants employed at an average hourly wage of \$6.72
- *Other*: 235 participants employed in other types of employment at an average hourly wage of \$7.21

Adult TANF Cases Closed Due to Earned Income

Administrative data indicates the percent of adult TANF cases closed due to earned income remained constant, at about 25 percent between SFY98 and SFY99. This means that approximately *one of every four cases* left Cash Assistance because they became employed and earned income that exceeded the eligibility limits. Data compiled for the Cash Assistance Exit Study indicates that the number of individuals who left Cash Assistance due to employment or increased earnings was actually higher. The Exit Study found that 54 percent of survey respondents reported they left Cash Assistance due to employment or increased earnings.

Work Participation Rate

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires states, beginning in 1997, to achieve stringent work participation rates for "all families" and a separate rate for "two-parent" families. The federal legislation prescribes the allowable work activities that are used to compute the mandated work participation rates as well as the required number of hours of participation. According to the U. S. Department of Health and Human Services (DHHS), Arizona met the federal participation rates for 1997. The data submitted by the Department to DHHS indicates that Arizona will once again exceed the 1998 work participation rates. The federal legislation includes a "caseload reduction credit" that reduces a state's work participation rate by the decline in the Cash Assistance caseload. Caseload declines due to federal requirements or changes in state eligibility criteria are excluded from the caseload reduction credit.

States that meet the work participation rates have a lower maintenance of effort requirement, 75 percent rather than 80 percent. By meeting the work participation rates, Arizona was not required to spend approximately \$6 million in maintenance of effort state funds.

JOBS PROGRAM

DES exceeds the federal work participation requirement by a significant margin each year.

WORK PARTICIPATION RATE

YEAR	FEDERAL REQUIREMENT (NATIONAL)		REQUIREMENT CASELOAD REVISED		DES ACTUAL RATE
FFY 1997	FFY 1997 ALL FAMILIES		8.9%	16.1%	26.9%
(10/1/96 – 9/30/97)	TWO- PARENT FAMILIES	75%	8.9%	66.1%	68.8%
FFY 1998	ALL FAMILIES	30%	21.47%	8.53%	30.2%*
(10/1/97 – 9/30/98)	· ·		12.9%	62.1%	76.6%* *Unofficial

Job Retention Rate

The job retention rate measures the percentage of Jobs placements that are still employed three months after placement. The average quarterly job retention rate for SFY99 was approximately 45.8 percent for the year. The Department has changed the methodology used to calculate the retention rate in order to better reflect actual job retention.

JOBStart

The JOBStart Program is a partnership between the Jobs Program and the private sector in which Cash Assistance recipients are placed in subsidized jobs. Subsidized employment is one of the many options that support the transition from welfare to work. In subsidized employment, the Cash Assistance recipient's cash and Food Stamp grants are used to subsidize the employer's wages paid to the participant. For SFY99, 29 participants were placed with 24 Arizona employers, this is a slight increase over SFY98 accomplishments. Subsidized employment is one of several work activities utilized to assist individuals to achieve self-sufficiency. The first priority is to emphasize unsubsidized employment.

Section II - Support Services

Over the past few years, the Legislature has appropriated TANF funds for a variety of supportive services that assist participants to transition from welfare to work and that strengthen the family. These support services prepare participants for employment, help them retain employment and increase wages, address specific barriers to employment, and provide services to other low-income individuals such as non-custodial fathers. Removing transportation barriers, enhancing training and education skills, promoting personal responsibility, and helping victims of domestic violence are critical support services that promote self-sufficiency.

The state also recognizes that a number of families are at risk of becoming dependent on public assistance. A number of preventive programs and services have been designed to assist these families before they become Cash Assistance recipients. The emphasis on prevention is an investment in Arizona's children and families. The emphasis on post-employment services minimizes recidivism and the return to welfare. These programs and services are described on the following pages.

Transportation Services

The Department is addressing the transportation needs of participants in a number of ways so that they can engage in work activities. Transportation funds are used to assist participants with transportation services to help them obtain or retain employment. Among the approaches that assist with transportation needs is Transportation Related Expenses (TRE). TRE is a payment provided to clients to assist with transportation costs. During the fourth quarter of SFY99, 4,945 Jobs participants received money for transportation services compared to 6,252 Jobs participants who received transportation services in the fourth quarter of SFY98. See Appendix #1 for a detailed breakdown of transportation assistance by county.

The Legislature appropriated an additional \$3.3 million to meet the transportation needs of clients. These funds are used to provide services that include bus tickets, van routes, car repairs,

etc. TRE payments decreased between SFY99 and SFY98 due to the utilization of these additional transportation funds.



Reliable transportation is critical to families trying to move from welfare to work.

Wheels to Work

One of the major barriers to employment is the lack of reliable transportation. The state's Wheels to Work program provides TANF Cash Assistance participants with donated vehicles so that they travel to and from employment. Under the Wheels to Work program, participants must have a verifiable job, but lack transportation. A contract has been awarded to Goodwill Industries of Central Arizona to establish six locations that serve the state: two sites in Maricopa County, and one each in Pima, Pinal, Cochise, and Mohave Counties. The Wheels to Work program became fully operational effective October 1, 1999.

Character Education Training

In SFY99, the Arizona Legislature appropriated \$500,000 to the Department to provide character education training to individuals under 19 years of age that are eligible for or who are receiving Cash Assistance. The Department issued a Request for Proposal (RFP) to contract for this service on July 22, 1999, and plans to implement the Character Education Training Program in December 1999.

Young Fathers (Fatherhood)

The Young Fathers Program provides services to assist young fathers in becoming self-sufficient, to share in the responsibility of supporting their children and to be an active parent to their children. These services include: remedial education, high school/GED preparation, vocational training, job search/readiness/placement activities, life skills training and mentoring.

The Young Fathers Program was implemented statewide on January 1, 1999, for young fathers ages 16 to 22 whose children are members of a Cash Assistance household. Effective July 1, 1999, the program now serves young fathers between 16-26 years of age who are "at risk" of becoming a Cash Assistance recipient or whose children are "at risk" of becoming a Cash Assistance recipient. During SFY99, 49 participants received services under this program.

Contracts for the Young Fathers Program have been awarded to the following agencies: Arizona Headstart Association, Child and Family Resources, Southside Family Life Center and Chicanos Por La Causa.

Employment Transition Program

The Employment Transition Program provides direct support and intervention services to TANF families with multiple barriers to employment. In a similar process to the Family Builders Program, DES caseworkers refer clients who are having difficulty meeting TANF requirements to local community organizations. These organizations assess the families' barriers and provide services to help the family become self-sufficient.

Contracts have been awarded for multiple services that were effective August 9, 1999. The contractors include: Child & Family Resources, Inc.; Central Arizona Association of Governments; Behavioral Health Agency of Central Arizona (BHACA); Goodwill Industries of Northern Arizona; Jewish Family and Children's Services; Northern Arizona Council of Governments (NACOG):

and Western Arizona Council of Governments (WACOG).

Core services provided through the Employment Transition Program:

- family assessments
- intensive family preservation services
- housing search and relocation
- mental health and substance abuse counseling
- child day care
- parenting skills training
- transportation
- emergency services
- parent aide services
- respite services.

Vocational Education

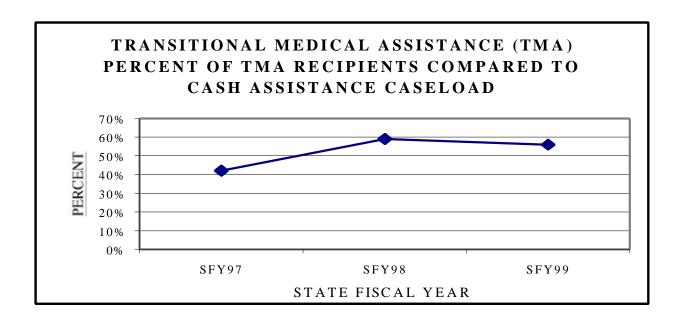
Vocational education is training directly related to a career or occupation that results in a degree or certificate. Typically, vocational education is not pursued until subsidized employment and

unpaid work experience has been explored. Under the federal emphasis on employment and the state's work first approach, participants must first test the labor market before vocational education is pursued as an appropriate work activity.

Transitional Medical Assistance

Once a Cash Assistance recipient transitions from welfare to work, one of the significant barriers to maintaining self-sufficiency is the potential loss of health care coverage. EMPOWER Redesign participants who become ineligible for Cash Assistance due to employment may receive up to 24 months of Transitional Medical Assistance (TMA). TMA is provided by the state's Arizona Health Care Cost Containment System (AHCCCS) to eligible participants. In SFY99, an average of 19,944 individuals received TMA each month. This number represents a decrease over preceding years. In SFY98, an average of 25,262 individuals received TMA each month, and in SFY97, an average of 23,903 individuals received TMA each month.

The chart below compares the average number of individuals receiving TMA to the average cash assistance caseload for a three-year period. The Department has been working with AHCCCS to ensure that all those individuals who are eligible for TMA avail themselves of this important program.



Domestic Violence Post Shelter Training

Victims of domestic violence face many barriers in their efforts to become self-sufficient. Jobs participants who have received services from a domestic violence shelter may be referred for training that may include life skills, parenting skills, or vocational education. Participants

eligible for domestic violence post shelter training are identified by the domestic violence shelter staff.

In SFY99, the legislature appropriated \$250,000 to DES to provide post shelter training for victims of domestic violence. The program was implemented in August 1999. DES has been working closely with Domestic Violence Shelters that are the primary source of referral.

Fair Labor Standards Act (FLSA)

The federal government requires that combined Cash Assistance and Food Stamp benefits for recipients who are participating in unpaid work experience must be equal to the federal minimum wage times the number of hours the participant is engaged in the work activity. The Arizona Legislature appropriated funds to supplement the Cash Assistance grant and the Food Stamp benefits to increase the total benefits up to the amount required by the federal Fair Labor Standards Act. Unpaid work experience in the private sector enables the participant to establish a work record while developing good work habits and skills in a particular occupation. It also provides the opportunity for the person to network, identify paid positions, and transition into paid employment.

Life Skills

The Life Skills Program provides optional courses for personal development and employment retention, beyond the standardized Job Readiness classes. The basic Job Readiness classes are a two-week standardized class that includes facilitated job search, basic hygiene, interview techniques, resume writing, etc.

The Life Skills Program is formatted as stand-alone "modules". These courses include the following: "Learning to Take Control" course that consists of basic hygiene and grooming, time management/organizational skills, budgeting/planning with managing family conflict and change, and basic parenting techniques. The "Relating to Others" module consists of manners, a variety of communication styles and customer service. The "Obtaining Employment" module consists of work ethic, job search techniques, personal appearance and how to keep a job. These classes vary in length from one-half day to a full week. During SFY99, 112 participants received services under this program.

Life Skills was implemented in SFY99. Contracts were awarded to the following entities: Arizona Headstart Association; University of Arizona (U of A) Cooperative Extension; Yuma Private Industry Council, Inc.; and Eastern Arizona College.

Parenting Skills

In SFY99, the Arizona Legislature appropriated \$250,000 to DES to provide parenting skills classes for parents who are eligible for or who are receiving Cash Assistance. Effective October 1999, the University of Arizona, Cooperative Extension Service, is providing classes statewide.

Post Employment Education Program

The Post Employment Education Program is a post employment service provided to current or former Jobs participants who are employed in unsubsidized employment. This program was made available to eligible current or former Jobs participants effective July 1999. Participants may receive training for jobs that are in demand in the local labor market. Training expenses are limited to \$2,000 and will have a time limit of two years. The Jobs Program coordinated the delivery of post employment services through its existing provider network.

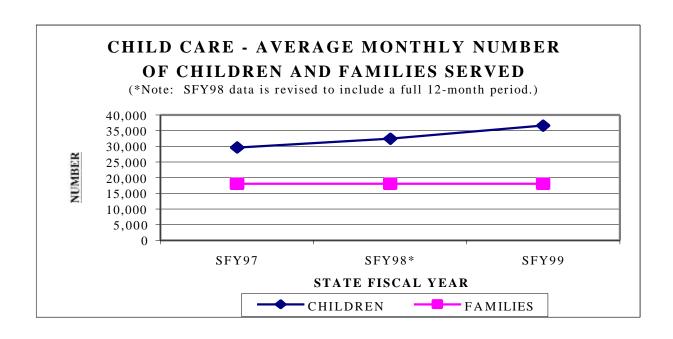
Rural Business Technical Assistance Program

This entrepreneurial development program is designed to provide technical business assistance to TANF participants in two rural communities. These services include skills training, technical assistance and supervision. A contract was awarded to the Arizona Council for Economic Conversion. The contractor has created a project management plan, identified two rural communities (Douglas and Nogales), completed market analyses on both communities, and designed a training curriculum for the participants. To date, there have been three graduates of the program in Nogales and two in Douglas.

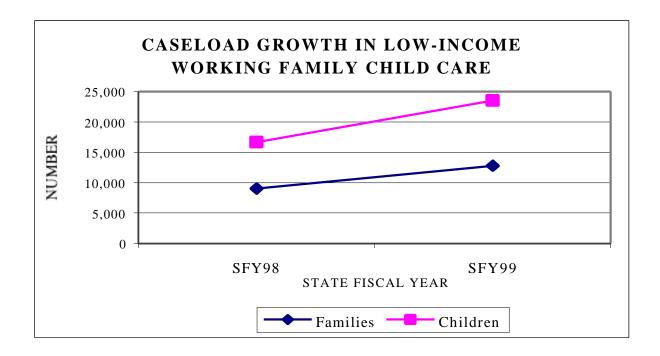
Section III - Child Care

With the passage of Laws 1997, Chapter 300, state statute defined child care eligibility and established child care service priorities for various populations. Laws 1997, Chapter 300, strengthened the state's child care program by providing a guarantee of child care assistance to families working to get off welfare, and to employed families who had recently left welfare. This means that any eligible family who needs child care assistance will receive it. This guarantee is a significant component of EMPOWER Redesign. According to the Cash Assistance Exit Study, one of the major barriers to employment was the lack of child care. The positive impact of this expansion of the child care program has resulted in the following:

- *Better payment rates*: In SFY97, over 5,200 families and 9,000 children were converted from the State Subsidy to better federal payment rates.
- Served all eligible families: State appropriations for SFY98 and SFY99 enabled the Department to serve all families who applied for and were determined eligible for child care.
- *Increased participants*: As of June 30, 1999, 23,041 families and 43,557 children were authorized for child care services (an increase of 21 percent in one year). The Department was able to serve more participants due to the increased funding for child care.
- Aid to working families: The program with the largest caseload growth is low income working families. These families have not resorted to welfare. In one year, from June 1997 to 1998, the caseload grew 42 percent. In June 1998, 9,023 families and 16,681 children were authorized for child care services, and in June 1999, 12,788 families and 23,496 children were authorized for child care services.



EMPOWER Redesign recognizes the importance of child care to families transitioning off welfare and to working low income families and other vulnerable populations who are in work activities (i.e. homeless/domestic violence shelters). The chart below shows the child care caseload growth for low-income working families.



• *Program expenditures*: In SFY97, the Arizona Child Care Program expended \$59.3 million dollars, in SFY98 expenditures were \$74.2 million dollars¹, and in SFY99 expenditures were \$85.3 million dollars on client services. This shows a 25 percent increase in dollars expended from SFY97 to SFY98 and a 15 percent increase from SFY98 to SFY99.

These increases were due to the elimination of the low-paying state subsidy program for 8,000 children in SFY 98 and a better rate paid to providers which allowed low income families greater access to the child care market. Appendix #2 contains a chart that illustrates child care program expenditures.

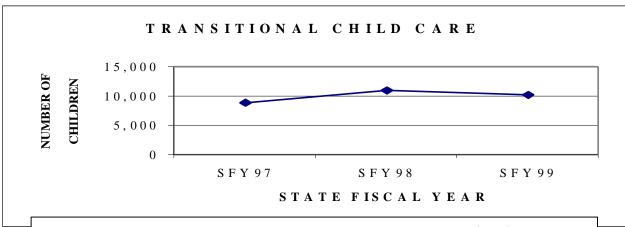
• The number of families receiving the benefit of child care subsidies remained at about 18,000 in SFY97, SFY98 and SFY99. However, the average monthly number of children served was 29,624 in SFY97, 32,467 children in SFY98² and 36,594 in SFY99. This shows an

¹ The SFY97 and 98 expenditure data is corrected. Expenditure data for the previous report was captured at a point in time, prior to all the billings being received from the providers.

² The SFY98 average number of children is corrected data based on a full 12 months of services. Last year's report did not have all the data at the time the report was prepared. Last year's document reported 31,508. The corrected number is 32,467 average number of children served.

increase of 9.6 percent from SFY97 to SFY98, and an increase of 12.7 percent from SFY98 to SFY99.

The following chart indicates the number of authorized children receiving Transitional Child Care (TCC) at the end of each state fiscal year. EMPOWER Redesign allows Cash Assistance recipients who lose cash benefits because of employment to receive up to 24 months of TCC as long as their income does not exceed 165 percent of the federal poverty level (FPL). These families are eligible for child care services so they can maintain employment and reduce the likelihood of returning to welfare. After two years, if families are still eligible for the program, they continue to receive child care assistance through the block grant low income working child care program.



The number of children participating in Transitional Child Care (TCC) increased by 15% between SFY97 and SFY99. In SFY97 the number of children participating in TCC was 8.885 compared to 10.201 children in SFY99.

Increasing the Number of Child Care Providers

With welfare reform, the Department anticipated that an increased number of families would require child care. To assist communities in addressing the need of an adequate supply of quality child care, the Department initiated the following projects:

What's New in DES Child Care?

- 99.9% of parents referred to DES Child Care from the Jobs program found care for their children.
- 4,000 new child care slots will be available as a result of DES community collaborations.
- 458 new certified child care homes will serve rural communities around the state.
- 47 individuals received training to provide child care services in their homes.
- 3,123 low-income working families remained eligible for child care assistance as a result of a legislative appropriation.
- Payment to providers increased from the 50th to the 75th percentile of the 1996 market rate survey.
- An increased payment of up to 10% above the current maximum rate is available to accredited providers.

- Arizona Early Childhood Business
 Initiative Partnership In SFY98, the Child
 Care Administration (CCA) began a new
 project with contractors in Phoenix,
 Tucson, and Flagstaff. As part of the
 Department's Business Initiative
 Partnerships, DES clients and the public
 received a two-week training in Early
 Childhood Education to assist them in
 opening a child care business in their home.
 In SFY99, 47 individuals completed the
 training course.
- Child Care Supply Expansion Project In SFY98, the Department awarded multi-year contracts totaling \$2.5 million to 14 communities for the planning and development of new child care openings throughout Arizona. Eleven of these contracts were renewed for SFY99. It is anticipated that over the life of the contracts, approximately 4,000 new or expanded child care slots will be available as a result of these contract awards. Another significant outcome of the projects is new or strengthened community partnerships and collaborations as a result of the Department's funding.
- Home Recruitment Study & Supervision

<u>Contracts</u> To assist in meeting the increasing demand for child care in rural and low-income urban areas, the Department's Child Care Administration continues to contract with community based organizations in 14 counties to recruit and provide orientation and training to individuals interested in becoming DES-certified family child care providers. In SFY2000, approximately 450 additional certified homes will become available.

• <u>Assisting Jobs Families in Finding Care</u> The Personal Responsibility Act of 1996 maintains that parents may not be sanctioned if unable to work if the single custodial parent has demonstrated inability to obtain appropriate and affordable child care. The Department's Jobs/JTPA Administration and Child Care Administration (CCA) work together to assist families who are having difficulty in finding child care. In SFY99, there were 31,571 referrals from Jobs to CCA, and acceptable child care solutions were found for 31,534 children.

Accessibility to child care is an important service to help families work. One of the findings of the Cash Assistance Exit Study was that the lack of child care is one of the top three barriers to employment. Below are two initiatives that increase access to child care.

• <u>HB2620</u>: This \$6.09 million appropriation increased the income eligibility maximum to 165 percent of Federal Poverty Level (FPL), which allowed for child care subsidies to be available to an additional 3,123 low-income working families who would otherwise have lost or not been eligible for assistance with child care expenses. More information on child care assistance eligibility and fee schedules is included in Appendix #3.

• Child Care Provider Rate Adjustment

A significant budgetary change, authorized by the legislature, was effective on July 1, 1999. The Department's Child Care Administration implemented the legislative appropriation, which adjusted the maximum that DES pays to child care providers from the 50th percentile to the 75th percentile of the 1996 market survey. The rate adjustment implemented July 1999 allows eligible parents greater access to child care providers. First quarter data for SFY2000 will provide a better picture of actual average payment rates that are impacted by this legislative appropriation.³

Improving the Quality of Child Care

• <u>SB1180</u>: Provisions in this bill which were effective July 1, 1999, enhanced reimbursement for accredited child care providers with the intent of expanding the number and quality of child care providers contracted with the Department. The appropriation (\$500,000 TANF transfer to CCDF) will permit the Department to offer accredited providers an increase of up to ten percent above the current Department maximum rate. This will bring higher quality care within reach of more low-income families who must pay the difference between the Department rate and the actual provider rate. The project was implemented on August 1, 1999. Over forty child care providers were receiving an enhanced reimbursement rate as of November 1999.

Section III – Child Care

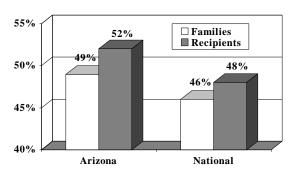
³ The Department released the 1998 Child Care Market Rate Survey on December 31, 1998. However, the 1998 survey information was not utilized in the market rate adjustment authorized by the legislature. A new Market Rate Survey required by DHHS will be conducted in the spring of the year 2000.

Section IV - Caseload Data

Cash Assistance caseloads continue to decline both nationally and in Arizona. During the period January 1993 through March 1999, the number of families receiving Cash Assistance declined by 46 percent nationally and by 49 percent in Arizona. The number of recipients receiving Cash Assistance from January 1993 through March 1999 declined by 52 percent in Arizona. Nationally, the decline in the number of recipients was 48 percent for the same period.

Cash Assistance Caseload Decline

January 1993 - March 1999



There has been considerable speculation about the reasons for the decline in the Cash

Assistance caseload. The U.S. Department of Health and Human Services (DHHS) "Second Annual Report to Congress on the TANF Program" August 1999, references a number of studies that indicate that recipients are leaving welfare to work. A U.S. General Accounting Office (GAO) report found that between 63 and 87 percent of adults have worked since leaving the welfare rolls. A report by the Council of Economic Advisors estimates that federal and state program policy changes account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy is estimated to have accounted for approximately 10 percent of the caseload decline during this same period.

In a separate study by the Urban Institute, 69 percent of recipients left welfare for work and 18 percent left welfare because "they had increased income, no longer needed welfare or had a change in family situation." The Department of Economic Security is currently conducting studies of families that leave welfare or food stamps.

Cash Assistance Exit Study

On September 14, 1998, the Arizona Department of Economic Security (ADES) was awarded a grant for approximately \$250,000 from the U.S. Department of Health and Human Services (DHHS) for research into the status of individuals and families who leave the Arizona Temporary Assistance for Needy Families (TANF) program.

"What consequences, both intended and unintended, do recipients and their dependents experience once their link to Cash Assistance is severed?"

- Arizona Cash Assistance Exit Study

To date, the Department's Office of Research and Evaluation has issued two reports which describe former recipients' experiences as captured in the DES automated systems. These reports identify the demographic characteristics of former recipients such as age, gender, ethnicity and county of residence. They report outcomes over the 12 months following exit from Cash Assistance such as recidivism and earnings. Finally, they report participation in other DES administered programs such as food stamps, medical assistance, child care and child support.

Cash Assistance Exit Study Findings:

- 54 percent of the survey participants reported that they left Cash Assistance due to employment or increased earnings.
- 65 percent of the cases did not return to Cash Assistance within twelve months of case closure. Of those individuals who returned to Cash Assistance, 54 percent said they did so because they lost their job, or had a reduction in earnings.
- Survey participants reported the top three reasons for returning to Cash Assistance were: loss of employment or decreased wages; divorce, separation, or moving away from a partner or family member; and change in household circumstances such as an eligible child moved into the home or a disability was certified.
- Individuals who were not employed cited the following as the top three barriers to employment: health insurance; child care; and education and training.
- Cases closed due to a sanction were more likely to return to assistance in the month following case closure.

The results of the Cash Assistance Exit provides critical information that can be used to review policies and make changes to target services to further increase wages, retention, access to support services and promote long-term sufficiency. Further research will allow the Department to better understand families that are at risk of entering the welfare system and those moving toward self-sufficiency.

Food Stamp Exit Study

The Department, in collaboration with Abt Associates, obtained a grant funded by the U.S. Department of Agriculture (USDA) to study individuals and households that left the Food Stamp program. The Food Stamp Exit Study is designed to identify and study individuals who left the program for a minimum of two months during calendar year 1997. The research proposal targets three groups of former recipients for tracking: Able-Bodied Adults Without Dependents (ABAWDs), Food Stamp-only households with dependents, and Food-Stamp/Cash Assistance households with dependents. The study will determine the well-being of individuals and households after program exit with respect to a variety of measures including earnings and employment, food and housing security, and child welfare.

The tracking period is 15 to 27 months after termination of receipt of food stamps depending on when during 1997 closure occurred. Various administrative data sources are used in the tracking effort that pertain to employment, earnings, use of program benefits and supportive services, and other consequential information. At the time of this report, there are no findings available with regards to this Exit Study. The Food Stamp report is expected to be available after January 2000.

Both the Cash Assistance Exit Study and the Food Stamp Exit Study are in addition to the ongoing EMPOWER Welfare Reform evaluation study that focuses on the impact of welfare reform policies with respect to both administrative operations and client outcomes. The EMPOWER Welfare Reform evaluation study will be completed by the Spring of 2000.



The Cash Assistance caseload in Arizona continued its downward trend in SFY99. The caseload declined by 6.9 percent during the period June 1998 to June 1999 to 33,811 cases. The Two-Parent caseload dropped 15.4 percent over the same period to 573 cases. The number of households receiving Food Stamps declined 7.3 percent and the number of General Assistance cases declined by 2.6 percent. The number of Medical Assistance Only recipients increased over the period by 3.9 percent.

Caseloads

Program	June 1998	June 1999	Change	
Cash Assistance	cases	36,330	33,811*	-6.9%
	recipients	97,333	88,671	-8.8%
Two-Parent Employment Program	cases	678	573	-15.4%
	recipients	3,092	2,656	-14.1%
Food Stamps	cases	102,140	94,629	-7.3%
	recipients	284,506	257,387	-9.5%
General Assistance**	cases	2,445	2,379	-2.6%
Medical Assistance Only**	cases	211,741	220,028	+3.9%

^{*}Includes 12,700 child only cases, representing 37 percent of the caseload.

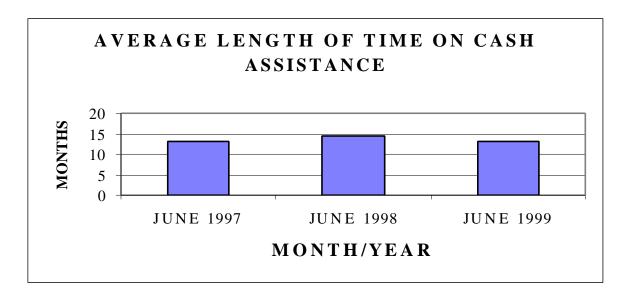
The average monthly Cash Assistance caseload in SFY99 was 35,081. This compares with 42,801 in SFY98 and 56,424 in SFY97. The size of the caseload now is approximately the same as it was in 1988 although the rate of decline is quickly stabilizing. For a detailed breakdown of changes in the Cash Assistance caseload, by county, please refer to Appendix #4.

Length of Time on Cash Assistance

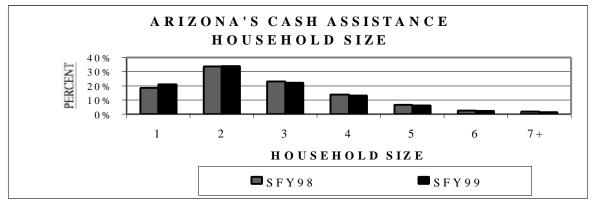
^{**}General Assistance (GA) and Medical Assistance Only (MAO) are one-person cases. The number of recipients is the same as the number of cases for these programs.

Administrative data as of June 1999, shows the average length of time on assistance for current Cash Assistance recipients has decreased since June 1998. In June 1998, the average length of time on Cash Assistance was 14.4 months. In June 1999, the duration on Cash Assistance was 13 months. This decrease may be attributable to a number of factors including the Department's work first approach, the strong economy, and time-limited benefits.

Demographically, the 1999 Cash Assistance caseload is not significantly different from the 1998 caseload. The chart below compares the household size of Arizona's Cash Assistance caseload in SFY98 and SFY99.



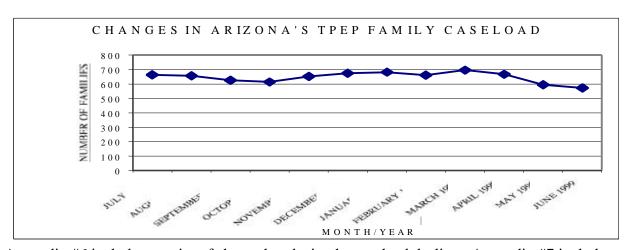
The ethnic composition of the Cash Assistance caseload has essentially remained constant from June 1998 to June 1999. Based on the age of the head of the household, the age distribution for the Cash Assistance caseload shows that the largest percentage of cases is comprised of individuals ages 20-24 years old followed by individuals ages 25-29 years old. Please refer to



Appendix #5 for more detailed data on age distribution and ethnic composition. A portion of the Cash Assistance caseload is represented by child only cases. These cases are children who reside with a non-parent relative or guardian, or who are in foster care. In Arizona, the number of child only cases increased from 12,108 in June 1998 to 12,700 in June 1999. The child only cases now comprise 37 percent of the Cash Assistance caseload compared to 33 percent in June 1998. The increase in the percentage of child only cases reflects a national trend.



Two-Parent Cash Assistance caseloads continue to decrease significantly. This decrease, as a percentage of the caseload, exceeds the decrease in all Cash Assistance cases. In June 1997, there were 959 Two-Parent Cash Assistance cases. This number decreased to 678 in June of 1998 and represented a 29 percent decrease. In June 1999, the number of Two-Parent Cash Assistance cases decreased to 573, a decrease of 15 percent from June 1998.



Appendix #6 includes a series of charts that depict the caseload decline. Appendix #7 includes a series of charts that show the Food Stamp, General Assistance and Medical Assistance Only caseload decline. The decline in caseload has had a direct impact on the number of families affected by the various EMPOWER Redesign policy provisions. This is evident from the data contained in the following EMPOWER Redesign section of this report.

Section V - EMPOWER Redesign

Time Limited Benefits

The EMPOWER Redesign Program limits adults to 24 months of Cash Assistance within a 60-month timeframe. Arizona implemented the 24-month benefit limit in November 1995.

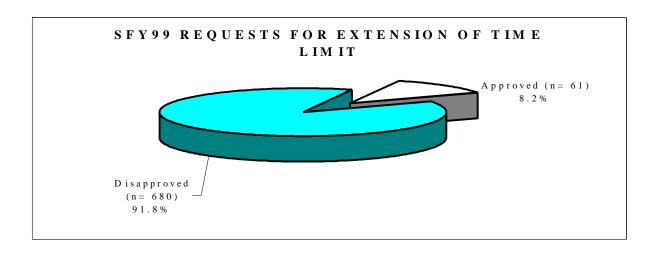
In SFY99, 3,059 adults were removed from the Cash Assistance grant after reaching the 24-month time limit. As a result, \$3,847,200 less in benefits were paid to Cash Assistance households in SFY99. This compares to \$2,147,900 benefits that were not paid to Cash Assistance households in SFY98.

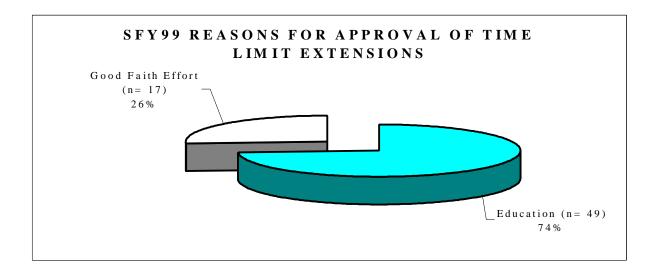
T W O - Y E A R E M P O W E R T I M E L I M I T D A T A C A S H A S S I S T A N C E R E C I P I E N T S R E M O V E D F R O M T H E G R A N T

COUNTY	7 / 9 8	8 / 9 8	9 / 9 8	10/98		12/98		2/99	3/99	4/99	5/99	6/99	TOTAL
АРАСНЕ	4	2	2	2	1	1	2	5	2	1	2	0	2 4
СОСНІЅЕ	1 5	2 2	1 3	8	1 7	7	1 3	7	1 0	1 7	9	9	1 4 7
COCONINO	9	7	1 0	9	5	3	5	2	5	6	8	8	7 7
G IL A	5	6	4	5	5	4	6	4	6	0	4	4	5 3
GREENLEE	1	1	0	0	2	1	0	0	0	1	2	1	9
GRAHAM	7	5	6	3	3	3	5	6	3	5	2	4	5 2
L A P A Z	2	2	1	1	2	3	1	2	1	1	1	1	1 8
M A R I C O P A	151	1 5 7	1 4 0	1 1 5	1 2 2	114	1 3 7	7 2	1 2 0	9 5	8 9	8 9	1,401
моначе	1 4	1 6	1 5	9	1 2	1 4	1 1	6	6	1 2	1 8	1 2	1 4 5
NAVAJO	8	8	1 6	7	1 3	6	7	5	3	6	1	5	8 5
P I M A	6 7	6 3	5 0	5 8	5 5	6 1	4 0	4 8	4 2	5 0	5 1	5 7	6 4 2
PINAL	19	2 6	2 8	1 4	18	2 2	1 6	1 0	1 9	1 6	1 4	1 4	2 1 6
SANTA CRUZ	4	4	2	3	3	4	4	2	1	2	2	1	3 2
YAVAPAI	4	3	5	3	6	6	4	3	3	5	0	2	4 4
Y U M A	1 8	7	9	1 3	1 3	8	1 1	3	6	7	7	9	111
UNKNOWN	0	0	0	0	0	1	0	0	0	0	1	1	3
TOTAL	3 2 8	3 2 9	3 0 1	2 5 0	2 7 7	2 5 8	2 6 2	175	2 2 7	2 2 4	2 1 1	2 1 7	3,059

Extensions to the 24-month benefit limit are available if the adult is making a good faith effort to find employment, or to complete an education or training program. In SFY99, the Department received a total of 741 requests for an extension of the benefit time limit. Sixty-one of these requests were approved (8.2 percent). The extension approval rate decreased slightly from

SFY98 when the approval rate was 12 percent. The number of extension requests decreased from 2,290 in SFY98 to 741 in SFY99. Approximately 74 percent of the approved extensions were granted to allow the adult to complete education or training activities. This compares to 69 percent in SFY98.





Family Benefit Cap

Arizona implemented a family benefit cap in November 1995. This cap places a limit on a family's grant regardless of the birth of additional children after the parent or relative is receiving Cash Assistance. In SFY99, 7,501 families were subject to the family benefit cap. The following chart shows the number of families affected by the family benefit cap in each county.

County	Number of Families
Apache	386
Cochise	259
Coconino	176
Gila	136
Greenlee	14
Graham	72
La Paz	27
Maricopa	3876
Mohave	163
Navajo	289
Pima	1312
Pinal	394
Santa Cruz	54
Yavapai	98
Yuma	232
Other	13
TOTAL	7,501

As a result of the family benefit cap policy, there were 46,898 months in which children were not eligible for Cash Assistance. This was an increase from SFY98 when there were 34,883 months in which children were not eligible for Cash Assistance benefits. In SFY99, \$3,376,656 Cash Assistance benefits were not issued due to the family benefit cap policy. For more detailed information on Cash Assistance cases with benefit-capped children, please refer to Appendix #8.

Unwed Minor Parents

The unwed minor parent policy provision requires minor parents, with some exceptions, to live with an adult in order to receive Cash Assistance. Teen parents and their children in the welfare system may continue to be eligible for Medicaid, Food Stamps, child care and other supportive services through the Jobs Program.

During SFY99, approximately 56 teen parents were ineligible for Cash Assistance each month. During SFY98, the number of teen parents ineligible for Cash Assistance averaged

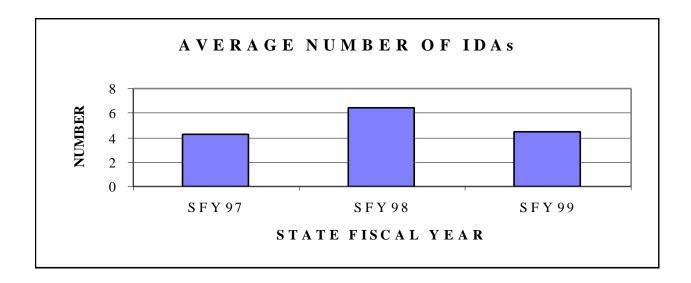
approximately 92 each month and in SFY97 the average was approximately 58 teen parents each month.

As a result of this policy provision, approximately \$72,900 less Cash Assistance benefits were issued in SFY99. This was a decrease from the \$118,700 less Cash Assistance benefits issued in SFY98. Appendix #9 contains a chart which details the total number of months that a teen parent is subject to the unwed minor parent policy.

Individual Development Accounts

An Individual Development Account (IDA) is a special savings account that allows a Cash Assistance recipient to set aside money for education or training expenses, to purchase a first home, or to start a business.

The chart below compares the average number of individuals who held IDAs during the past three state fiscal years. The average number of individuals who held IDAs decreased by almost two in SFY99, from 6.4 to 4.5. Although there is no empirical data to explain the low utilization of IDAs by Cash Assistance recipients, many recipients may need to use their entire cash grant to meet on-going living expenses and may have little or no funds to set aside for a savings account.



Sanctions

The EMPOWER Redesign Program sanctions participants who do not comply with work requirements, child support enforcement, immunization and school attendance.

Sanction Schedule

• First incidence of noncompliance: Participants receive a 25 percent reduction in grant amount Section V – EMPOWER Redesign

- Second incidence of noncompliance: Participants receive 50 percent reduction in grant amount
- Third incidence of noncompliance: Termination of the Cash Assistance grant

Cash Assistance Reasons Why Cases Were Closed Due to Sanctions - SFY99

REASON	7/98	8/98	9/98	10/98	11/98	12/98	1/99	2/99	3/99	4/99	5/99	6/99	Total
Child Support Enforcement Sanction	53	49	62	55	86	63	79	60	56	57	68	86	774
Immunization Sanction	1	0	0	0	1	0	1	0	0	1	0	1	5
Failure to Comply with Jobs/JTPA	474	467	501	391	442	435	483	379	356	406	345	344	5,023
School Attendance	21	4	4	7	4	5	6	10	5	7	5	12	90
Other*	17	23	19	23	7	1	0	12	12	16	17	2	149
TOTAL	566	543	586	476	540	504	569	461	429	487	435	445	6,041

^{*}Coding errors prevent categorization of these sanctions.

In SFY99, 8,333 cases were sanctioned with a 25 percent reduction, 6,321 cases with a 50 percent reduction, and 6,041 were closed for a third sanction. Approximately 86 percent of the sanction closures were attributed to clients who did not engage in appropriate work activities.

In SFY99, the number of cases closed due to sanctions was 6,041. This is a decrease of approximately 8 percent from SFY98 when 6,572 cases were closed due to sanctions. The decrease is attributed to the overall Cash Assistance caseload decline. Appendix #10 contains a series of charts that provide information about the number of Cash Assistance cases, by county, impacted by the 25 percent, 50 percent and case closures due to sanctions in SFY99.

Section VI - TANF-Related Programs and Services

Short Term Crisis Services and Emergency Shelter Services

Temporary Assistance for Needy Families (TANF) funding is used to provide assistance to persons who have an emergent basic need which cannot be met immediately by their own income or resources. Funding is used in three areas: (1) crisis assistance; (2) homeless shelters; and (3) domestic violence shelters. The crisis services component is funded totally with TANF.

The Emergency Shelter for homeless and domestic violence is funded in part with TANF. TANF funds for homeless shelters is 40 percent of the total funding provided by the Department; it is 36 percent of the Department's funding for domestic violence shelters. Following are some of the outcomes achieved with TANF funds.

CRISIS ASSISTANCE

Measure	Households	Households
	Participating	Participating
	SFY98	SFY99
Utility Assistance Payments	1,715	2,074
Rent/Mortgage Payments	1,994	1,620
Eviction Prevention	1,173	3,059
Special Needs	1,611	99
Total	6,493	6,852

HOMELESS EMERGENCY SHELTER

Measure	SFY98	SFY99
Persons receiving shelter services	27,624	26,800
Households receiving prevention services	2,646	5,563*

^{*} This includes some households served within the crisis assistance eviction prevention category.

DOMESTIC VIOLENCE EMERGENCY SHELTER

Measure	Women & Children SFY98	Women & Children SFY99
Sheltered in crisis shelters	6,880	6,562
Sheltered in transitional shelters	291	454
Counseling hours in shelter	66,727	78,886

Out-of-Wedlock Births

According to the U.S. Department of Health and Human Services (DHHS), teen birth rates continued to decline for the seventh consecutive year. These statistics show that Arizona's teen birth rate is declining, but not as rapidly as the national decline. The following charts illustrate the change in teen birth rates and out-of-wedlock births within Arizona. The first chart compares the Arizona teen birth rate to the national teen birth rate for this age group. The second chart compares Arizona's non-marital births for 1996, 1997 and 1998.

BIRTH RATES FOR TEENS 15 – 19 YEARS OF AGE

Births per 1000

(DHHS National Center for Health Statistics)

	1991	1997	Percent Change 1991-1997
Arizona	80.7	69.7	-13.6%
United States	62.1	52.3	-15.8%

NON-MARITAL BIRTHS

(Arizona Department of Health Services)

	1996	1997	1998
Non-Marital Births	29,157	28,472	29,924
Non-Marital Birth Percentage	38.8%	37.6%	38.4%

Beginning in SFY97, the Arizona Legislature appropriated \$2 million to the Department of Economic Security for a Teen Pregnancy Prevention program. The Department entered into an Interagency Services Agreement (ISA) with the Arizona Department of Health Services, the state entity responsible for such programs to administer the state's Teen Pregnancy Prevention program.

For SFY99, the Arizona Department of Health Services (DHS) awarded contracts totaling almost \$2.4 million to 16 community-based organizations for programs to promote sexual abstinence until marriage. Organizations that were funded include health foundations, educational institutions, religious organizations and community partnerships. A listing of the funded programs by county, and a description of their program for each organization is included in Appendix #11.



Beginning SFY97, the Arizona Legislature appropriated \$250,000 each year to the Department for the purpose of implementing outreach and naturalization efforts targeted to legal immigrants losing food stamps and health coverage. The legislation directed the monies to be used for application fees and citizenship and English for Speakers of Other Languages (ESOL) classes. The Department awarded contracts effective August 1, 1998, to Catholic Social Services of Central & Northern Arizona, (\$94,081) Catholic Community Services of Southern Arizona (\$88,878) and Pima County Adult Education, (\$67,000), for a total expenditure of \$249,959. This is an increase from the two contracts awarded in SFY98.

The three contracts include the delivery of the following services: (1) outreach, (2) provide eligibility assessment, (3) prepare applications, (4) offer ESOL and citizenship classes, (5) provide referrals, and provide limited financial assistance for submission of naturalization documents.

Outcomes for SFY99 met or exceeded all projected results:

- Outreach is achieved by one contractor providing services to seven (7) counties, and two other contractors providing services to the remaining nine (9) counties. As a result of these outreach activities, over 8200 individuals were informed of the availability of these services through presentations, discussions or meetings. Use of repeated public announcements and programs on both radio and TV in the southern and northern parts of the state, and flyers at local DES offices easily increases the total effort to more than 500,000.
- To support the ESOL classes and eligibility assessment, contractors have recruited, trained, and supported a nucleus of volunteers able to participate on a routine basis. The initial target of 40 volunteers was exceeded when 70 individuals volunteered to participate in various activities.
- Primary concern for the program was the processing and submission of the Immigration and Naturalization Application (Form INS 400). An outcome of 990 applications was projected, but 1,189 applications are being processed by the INS. Thus, performance exceeded goals by 20 percent. This is a continuing improvement from 1998 when 1078 applications were processed.

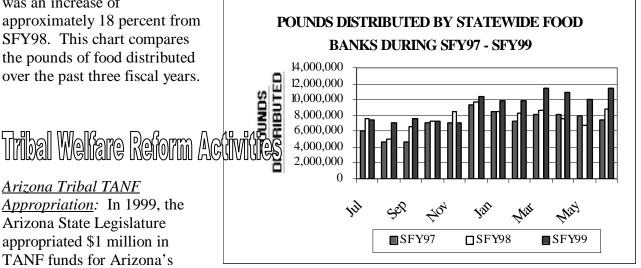
National welfare reform laws had forced many legal immigrants to lose their benefits. With funding from the legislature, DES has helped enable:

- 1,189 INS applications to be processed
- 598 individuals to attend **FSOL** and Citizenshin
- The 598 individuals attending ESOL and Citizenship classes exceeds the projected number of 550 immigrants. Additionally, where initially service was to be provided to eight elderly or handicapped persons, by year's end forty-six (46) individuals were receiving services.
- Financial assistance, based on sliding scales for the various fees associated with submission of the INS 400 application, was provided to more than 60 people throughout the state.

Food Distribution

Although the Cash Assistance and Food Stamp caseloads have been declining, the Statewide Food Bank Association reports an increase in the amount of food distributed over the past three years. In SFY99, Arizona Statewide Food Banks distributed 110,338,509 pounds of food. This

was an increase of approximately 18 percent from SFY98. This chart compares the pounds of food distributed over the past three fiscal years.



Arizona Tribal TANF Appropriation: In 1999, the Arizona State Legislature appropriated \$1 million in TANF funds for Arizona's

Tribes to "enhance welfare reform activities." The funds are budgeted for SFY2000 and SFY2001, and Tribes can use the funds for any program or service that constitutes an allowable expenditure under the TANF regulations. For example, Tribes can use the funds for such purposes as transportation related expenses, child care, short-term assistance (not to exceed four months) and automation equipment and system design for tracking clients and related assistance. The Department is working with each Tribe individually to develop a plan for expending the funds.

Salt River Pima-Maricopa Indian Community TANF Program: In July, the state turned over the administration of TANF benefits in the Salt River Pima-Maricopa Indian Community to the Salt River TANF program. The state administers the Food Stamps and Medical Assistance programs, and staff are co-located with tribal staff in a single office on the reservation.

Pascua Yaqui Tribal TANF Program: The Pascua Yaqui Tribe has had an approved Tribal TANF program since November 1997. The Pascua Yaqui Tribe opted to contract back with the Department to provide services. The Department employees administer TANF benefits according to Tribal TANF policy.

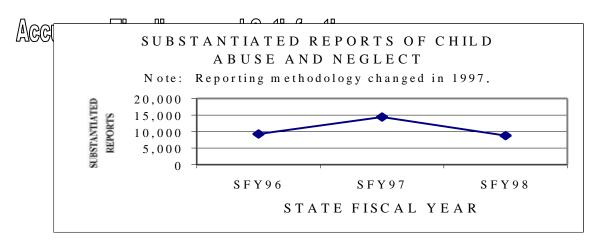
White Mountain Apache Tribal TANF Program: White Mountain Apache Tribe has had an approved Tribal TANF program since April 1998. The Tribe opted to contract back with the Department to provide services. The department employees administer TANF benefits according to Tribal TANF policy.

Other Tribal TANF Programs: The Department respects the sovereignty of Tribes and supports their efforts to become more autonomous. DES continues to work with the Navajo Nation, one of the largest Tribes in the U.S., to develop and transition into a Tribal TANF program. There are approximately 10,000 individuals participating in TANF on the Navajo Nation, making this project the largest tribal devolution effort thus far.

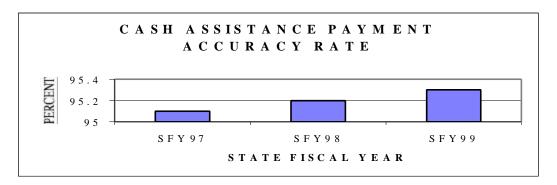
Other Arizona Tribes, such as the Hopi and San Carlos Apache, have expressed interest in developing Tribal TANF plans. The Department has met with representatives from these governments and will work with them to the extent of their desire.

Child Welfare Data

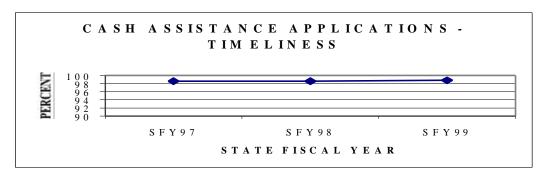
The total number of substantiated reports of child abuse and neglect decreased in SFY98 to 8,756 from 14,394 in SFY97. Overall, the Department's Cash Assistance Exit Study found no increase with respect to the number of substantiated child protective services reports or out-of-home placements following exit from Cash Assistance. The chart below compares the number of substantiated reports of child abuse and neglect for the past three state fiscal years.



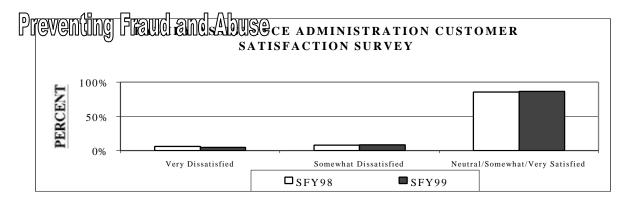
<u>Accuracy</u>: In SFY97, the Cash Assistance payment accuracy rate was 95.1 percent. In SFY98, the payment accuracy rate increased to 95.2 percent and in SFY99, it increased to 95.3 percent, demonstrating continuous improvement.



<u>Timeliness</u>: In SFY97, the Cash Assistance timeliness rate was 98.6 percent. In SFY98, the timeliness rate remained 98.6 percent and in SFY99, it increased to 98.8 percent.

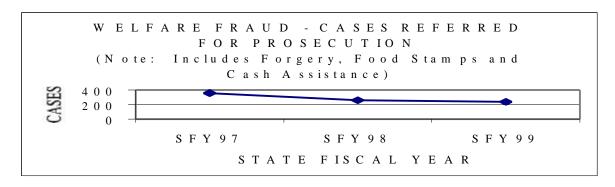


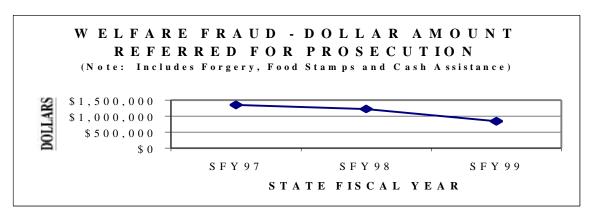
According to the Department's Family Assistance Administration, customer satisfaction survey results indicated that for SFY98, 85.4 percent of the survey respondents were neutral/somewhat/very satisfied. In SFY99, the rate increased to 86.6 percent.



The Department continues its effort to prevent fraud and abuse in welfare programs. In SFY97, 359 cases were referred for prosecution. In SFY98, the number of cases referred for prosecution decreased to 259 and in SFY99, the number of cases was 239. The benefit dollar amount referred for prosecution in SFY97 was \$1,344,100. In SFY98, the benefit dollar amount referred for prosecution was \$1,223,200 and in SFY99, the amount was \$835,000.

The decrease in the number of cases and dollar amount referred for prosecution reflected the caseload decline. The Fingerprint Imaging project is also believed to have contributed to the success in the state's ability to prevent fraud and abuse. This project is estimated to have contributed to a cost avoidance in fraud and abuse of \$2.6 million in SFY99.





Arizona Works

Laws 1997, Chapter 300, established the Arizona Works pilot program. Arizona Works is a welfare employment program that is operated by a private contractor. The legislation created the Arizona Works Agency Procurement Board to receive proposals and award a contract with a private entity. On January 11, 1999, the Board awarded a contract to MAXIMUS, Inc. The project was implemented on April 1, 1999.

Under the contract, MAXIMUS operates the TANF Arizona Works Cash Assistance program, the TANF employment programs, Child Care for TANF families, the state funded General Assistance program, and the Food Stamp Employment and Training program.

The state requested waivers from the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services to allow the private contractor to determine eligibility for the Food Stamps and Medicaid programs. These waivers were not approved and the operation of these programs remained with the Department.

The pilot operates primarily in the eastern portion of Maricopa County. Legislation provides for a second site to be identified by January 1, 2001. Below is a chart that summarizes the composition of the Arizona Works caseload and employment placement activity for the first five months of the program.

ARIZONA WORKS
CASELOAD AND EMPLOYMENT PLACEMENT ACTIVITY
April 1999 – August 1999

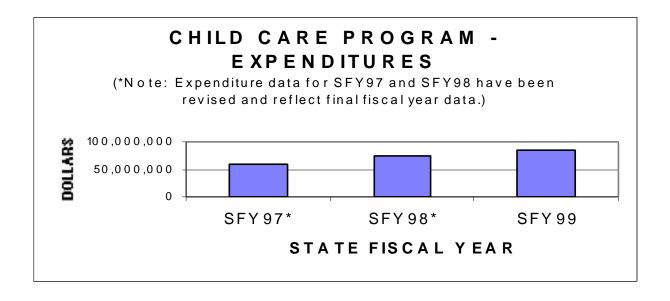
	APRIL	MAY	JUNE	JULY	AUGUST
TOTAL TANF CASES	3,342	3,386	3,297	3,435	3,543
TOTAL CHILD ONLY CASES	1,396	1,414	1,447	1,453	1,473
TOTAL FULL-TIME EMPLOYMENT PLACEMENTS IN THE MONTH*	46	93	111	101	147
TOTAL PART-TIME EMPLOYMENT PLACEMENTS IN THE MONTH*	45	81	112	84	85

*NOTE: These numbers relate to job placements as defined by Arizona Works legislation. They do not translate directly for comparison with other programs.

Appendix 1	Transportation Related Expenses (TRE) and Transportation Assistance
Appendix 2	Child Care Program Expenditures
Appendix 3	Child Care Assistance Gross Monthly Income Eligibility Chart & Fee Schedule
Appendix 4	Cash Assistance Caseload Data (monthly data by county)
Appendix 5	Cash Assistance Caseload Data (demographics)
Appendix 6	Cash Assistance Caseload Data (caseload decline)
Appendix 7	Food Stamps, General Assistance and Medical Assistance Only Caseload Data
Appendix 8	Family Benefit Cap
Appendix 9	Teen Parents on Cash Assistance
Appendix 10	Sanction Data
Appendix 11	Teen Pregnancy Prevention Program
Appendix 12	Laws 1997, Chapter 300, Section 76 – Annual Report

Received TRE or Transportation Assistance1												
		SFY 98										
COUNTY	1st Q	2nd Q	3rd Q	4th Q								
APACHE	28	43	41	37								
COCHISE	207	249	321	343								
COCONINO	80	64	91	74								
GILA	36	65	43	61								
GREENLEE	95	122	100	66								
GRAHAM	17	13	7	6								
LA PAZ	41	49	42	34								
MARICOPA	3,948	3,322	2,520	2,775								
MOHAVE	254	300	229	193								
NAVAJO	158	166	180	186								
PIMA	1,915	2,250	1,717	1,541								
PINAL	241	301	272	354								
SANTA CRUZ	66	78	84	83								
YAVAPAI	134	114	133	110								
YUMA	554	514	412	389								
TOTAL	7,774	7,650	6,192	6,252								
¹ Unduplicated clients	for the quarter											

R eceived	TRE or Tra		n Assistanc	e¹						
CONNEN		Y 99	2.10	441.0						
COUNTY	1st Q	2nd Q	3rd Q	4th Q						
			[
APACHE	46	50	4.5	44						
COCHISE	273	306	300	322						
COCONINO	58	63	65	7 1						
GILA	98	207	233	205						
GREENLEE	59	106	122	126						
GRAHAM	1	8	22	2 1						
LA PAZ	30	42	24	13						
MARICOPA	2,207	2,392	2,193	1,552						
MOHAVE	159	185	243	65						
NAVAJO	158	212	203	204						
P IM A	1,453	1,262	1,223	1,429						
P IN A L	325	372	288	339						
SANTA CRUZ	73	73	63	5.9						
YAVAPAI	101	131	120	92						
Y U M A	400	419	294	403						
TOTAL	5,441	5,828	5,438	4,945						
¹ Unduplicated clients for the quarter.										



CHILD CARE ASSISTANCE GROSS MONTHLY INCOME ELIGIBILITY CHART & FEE SCHI EFFECTIVE JULY 01, 1999

			LITECTIVE JULI	01, 1777	
Family	FEE LEVEL 1	FEE LEVEL 2	FEE LEVEL 3	FEE LEVEL 4	FEE LEVEL 4
Size	INCOME MAXIMUM				
	EQUAL TO OR LESS				
	THAN 85% FPL*	THAN 100% FPL*	THAN 135% FPL*	THAN 145% FPL*	THAN 155% FPL*
1	0 – 584	585 – 687	688 – 928	929 – 997	998 – 1,065
2	0 –784	785 – 922	923 – 1,245	1,246 – 1,337	1,338 – 1,430
3	0 – 984	985 – 1,157	1,158 – 1,562	1,563 – 1,678	1,379 – 1,794
4	0 – 1,184	1,185 – 1,392	1,393 – 1,880	1,881 – 2,019	2,020 – 2,158
5	0 – 1,383	1,384 – 1,627	1,628 – 2,197	2,198 – 2,360	2,361 – 2,522
_					
6	0 – 1,583	1,584 – 1,862	1,863 – 2,514	2,515 – 2,700	2,701 – 2,887
_		4 704 0 007	0.000	0.000 0.044	0.040 0.054
7	0 – 1,783	1,784 – 2,097	2,098 – 2,831	2,832 – 3,041	3,042 – 3,251
	0 4 000	4 004 0 000	0.000 0.440	2.450 2.202	2 202 2 245
8	0 – 1,983	1,984 – 2,332	2,333 – 3,149	3,150 – 3,382	3,383 – 3,615
	0 2 182	0.400 0.567	2.500 2.400	2.467 2.722	2 724 2 070
9	0 – 2,182	2,183 – 2,567	2,568 – 3,466	3,467 – 3,723	3,724 – 3,979
10	0 – 2,382	2,383 – 2,802	2,803 – 3,783	3,784 – 4,063	4,064 – 4,344
10	0 - 2,302	2,303 - 2,002	2,003 - 3,103	3,704 - 4,003	4,004 - 4,344
11	0 – 2,582	2,583 - 3,037	3,038 - 4,100	4,101 – 4,404	4,405 – 4,708
<u> </u>	0 - 2,362	2,303 – 3,037	3,030 – 4,100	4,101 - 4,404	4,400 - 4,700
12	0 – 2,782	2,783 – 3,272	3,273 – 4,418	4,419 – 4,745	4,746 – 5,072
14	0 - 2,702	2,100 - 3,212	3,213 - 4,410	4,419 - 4,140	4,740 - 3,072

MINIMUM REQUIRED CO-PAYMENTS**

1 st child	Full day =\$1.00	Full day =\$2.00	Full day =\$3.00	Full day =\$5.00	Full day =\$7.00
in care	Part day=\$.50	Part day=\$1.00	Part day=\$1.50	Part day=\$2.50	Part day=\$3.50
2 nd child	Full day =\$.50	Full day =\$1.00	Full day =\$1.50	Full day =\$2.50	Full day =\$3.50
in care	Part day=\$.25	Part day=\$.50	Part day=\$.75	Part day=\$1.25	Part day=\$1.75
3 rd child	Full day =\$.50	Full day =\$1.00	Full day =\$1.50	Full day =\$2.50	Full day =\$3.50
in care	Part day=\$.25	Part day=\$.50	Part day=\$.75	Part day=\$1.25	Part day=\$1.75

No minimum required co-pay for 4th (or more) child in care. Full day = six or more hours; part day = less than six hours. *Federal Poverty Level (FPL) = US DHHS 1999 poverty guidelines.

^{**}Families receiving child care assistance based upon involvement with Child Protective Services/Foster Care, the JOBS Program, the Ari cash assistance (formerly (AFDC) and who are employed, may not have an assigned fee level and may have a minimum required co-paym changes above the Minimum Required Co-Payments if a provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximums and/or the provider's rates exceed allowable state reimbursement maximum and/or the provider's rates exceed allowable state reimbursement maximum and rates and rates are reimbursement and rates are recommendated and reimbursement maximum and reimbursement and rates are recommendated and reimbursement and rei

Changes in the Cash Assistance caseload, by county over a three-year period.

	A V I		Y C O U N T Y	T S , P A Y M E N	T 8
C O U N T Y	A V G C A S E S P E R M O	A V G R E C I P I E N T S P E R M O	S F Y 9 9 A V G T O T A L P A Y M E N T S P E R M O	A V G P A Y M E N T P E R C A S E	P A
АРАСНЕ	2 . 1 8 5	6 . 6 1 8	\$ 5 4 5 .9 3 1	\$ 2 4 9 .8 5	
C O C H I S E C O C O N I N O	1 , 3 4 5	3 , 5 3 9 2 , 7 8 5	\$ 3 5 4 , 9 5 7 \$ 2 4 8 , 7 1 5	\$ 2 6 3 . 9 1 \$ 2 5 9 . 3 5	
G I L A	8 0 2	2 , 1 1 3	\$ 2 2 9 ,6 7 8	\$ 2 8 6 . 3 8	
G R E E N L E E G R A H A M	4 2 8 5 6	1 3 1	\$ 1 4 . 7 4 4 \$ 1 1 7 . 0 4 0	\$ 3 4 . 4 5 \$ 2 . 0 9 0 . 0 0	
L A P A Z M A R I C O P A	1 6 7	4 5 5	\$ 4 5 , 3 5 3 \$ 4 , 2 5 1 , 3 7 4	\$ 2 7 1 .5 7 \$ 2 7 3 .3 1	
M O H A V E	1 , 3 3 7	3,367	\$ 3 5 6 , 4 8 0	\$ 2 6 6 . 6 3	
N A V A J O P I M A	2 , 0 8 8 6 , 2 8 8	5 , 7 4 9	\$ 5 4 0 , 3 0 0 \$ 1 , 7 0 0 , 3 0 7	\$ 2 5 8 . 7 6 \$ 2 7 0 . 4 1	
PINAL SANTACRUZ	1 . 8 0 0	4 . 9 3 6	\$ 4 8 9 . 9 5 6 \$ 7 6 . 0 5 1	\$ 2 7 2 . 2 0 \$ 2 6 2 . 2 4	
Y A V A P A I	6 2 9	1,486	\$ 1 6 0 , 4 9 2	\$ 2 5 5 . 1 5	
Y U M A T O T A L	1 , 1 5 2 3 5 , 0 8 1	9 2 , 5 8 7	\$ 3 0 9 , 3 8 3 \$ 9 , 4 4 0 , 7 6 1	\$ 2 6 8 . 5 6 \$ 2 6 9 . 1 1	

* E X C L U D E S T W O - P A R E N T H O U S E H O L D S .
* U N D U P L I C A T E D C A S E S , R E C I P I E N T S , A N D P A Y M E N T S

Appendix #4 continued

A V E R A G E C A S E S , R E C I P I E N T S , P A Y M E N T S B Y C O U N T Y *

			S F Y 9 8		
C O U N T Y	A V G C A S E S P E R M O	A V G R E C I P I E N T S P E R M O	A V G T O T A L P A Y M E N T S P E R M O	A V G P A Y M E N T P E R C A S E	A V P A Y M P E R E C I P
A Р А С Н Е	2 . 4 1 3	7 . 2 8 1	\$ 6 1 1 . 1 8 3	\$ 2 5 3 . 2 9	
COCHISE	1,648	4,397	\$ 4 6 3 , 6 4 7	\$ 2 8 1 . 3 4	\$
COCONINO	1,079	3,188	\$ 2 8 9 , 7 9 5	\$ 2 6 8 . 5 8	
G I L A	8 7 7	2,338	\$ 2 6 2 , 0 6 2	\$ 2 9 8 . 8 2	\$
GREENLEE	7 0	1 6 7	\$ 1 8 . 6 0 6	\$ 2 6 5 .8 0	\$
G R A H A M	4 9 3	1 , 2 8 2	\$ 1 3 7 , 9 6 5	\$ 2 7 9 .8 5	\$
L A P A Z	2 2 8	6 0 5	\$ 6 2 . 2 7 8	\$ 2 7 3 .1 5	\$
M A R I C O P A	1 9 , 9 5 2	5 2 . 9 5 4	\$ 5 , 6 2 1 , 5 8 8	\$ 2 8 1 .7 6	\$
м она у е	1 . 5 2 7	3 . 9 8 9	\$ 4 2 0 .8 9 5	\$ 2 7 5 .6 4	\$
N A V A J O	2,234	6 , 2 2 3	\$ 5 9 4 , 5 8 6	\$ 2 6 6 .1 5	
P I M A	7,275	19,300	\$ 2 ,0 3 6 ,7 7 1	\$ 2 7 9 .9 7	\$
P I N A L	2,269	6 , 3 6 2	\$ 6 4 5 , 4 7 6	\$ 2 8 4 . 4 8	\$]
SANTA CRUZ	3 7 6	1.047	\$ 1 0 4 . 2 9 5	\$ 2 7 7 .3 8	
Y A V A P A I	8 3 1	2,046	\$ 2 2 0 , 2 4 3	\$ 2 6 5 .0 3	\$
Y U M A	1,529	4,205	4 2 6 9 7 6	\$ 2 7 9 . 2 5	\$ 1
T O T A L	4 2 , 8 0 1	1 1 5 , 3 8 4	1 1 , 9 1 6 , 3 6 6	\$ 2 7 8 . 4 1	\$

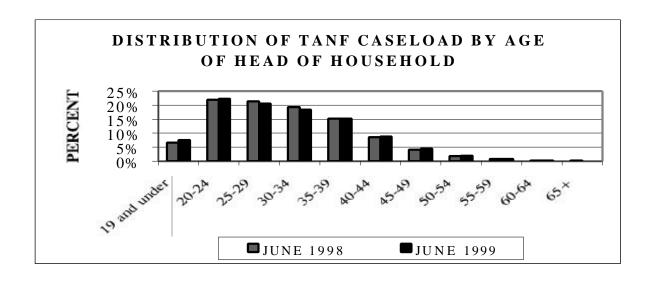
* E X C L U D E S T W O - P A R E N T H O U S E H O L D S .
* U N D U P L I C A T E D C A S E S , R E C I P I E N T S , A N D P A Y M E N T S

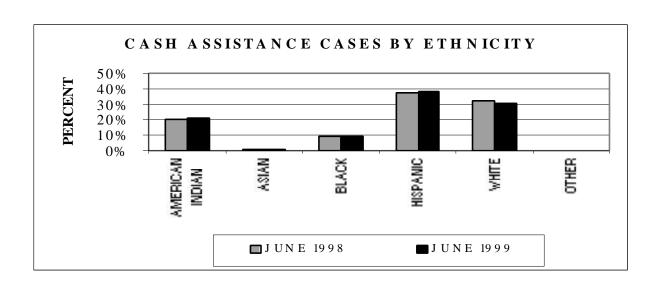
Appendix #4 continued

A	\mathbf{v}	\mathbf{E}	R	A	G	E	C	A	\mathbf{S}	\mathbf{E}	S,	R	\mathbf{E}	C	II	?	I E	N	T	S	,	P	A	Y	M	\mathbf{E}	N	T	S
										В	Y	C	O	U	N		T Y	<i>"</i> *											

C O U N T Y	A V G C A S E S P E R M O	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	A V G T O T A L P A Y M E N T S P E R M O	A V G P A Y M E N T P E R C A S E	P A
АРАСНЕ	2,596	7,635	\$ 6 5 8 , 7 4 1	\$ 2 5 3 .7 5	
C O C H I S E	2,005	5 , 2 8 5	\$ 5 8 9 , 1 6 9	\$ 2 9 3 . 8 5	
C O C O N I N O	1,255	3,619	\$ 3 4 4 , 4 2 7	\$ 2 7 4 . 4 4	
G I L A	9 5 1	2,573	\$ 2 8 4 , 4 3 9	\$ 2 9 9 . 0 9	
G R E E N L E E	1 0 0	2 4 1	\$ 2 7 , 4 9 1	\$ 2 7 4 . 9 1	
G R A H A M	5 7 4	1 , 5 2 3	\$ 1 6 5 . 3 0 6	\$ 2 8 7 . 9 9	
L A P A Z	2 8 8	7 8 6	\$ 8 5 , 4 3 5	\$ 2 9 6 . 6 5	
M A R I C O P A	2 8 , 3 2 6	7 4 , 3 8 7	\$ 8 , 3 8 5 , 5 6 3	\$ 2 9 6 . 0 4	
M O H A V E	1,827	4 , 7 8 3	\$ 5 2 8 , 9 1 6	\$ 2 8 9 . 5 0	
N A V A J O	2,514	6,981	\$ 6 8 4 , 2 0 7	\$ 2 7 2 . 1 6	
P I M A	9,421	2 4 , 5 7 3	\$ 2 , 7 5 6 , 7 0 2	\$ 2 9 2 . 6 1	
P I N A L	2 , 9 3 1	8,094	\$ 8 7 4 , 1 3 1	\$ 2 9 8 . 2 4	
SANTA CRUZ	5 0 5	1 , 3 7 8	\$ 1 4 6 , 8 0 8	\$ 2 9 0 . 7 1	
Y A V A P A I	1 , 0 4 2	2,594	\$ 2 8 8 , 1 9 6	\$ 2 7 6 . 5 8	
Y U M A	2 , 0 8 9	5,684	\$ 6 1 7 , 1 8 2	\$ 2 9 5 . 4 4	
T O T A L	5 6 , 4 2 4	1 5 0 , 1 3 6	\$ 1 6 , 4 3 6 , 7 1 3	\$ 2 9 1 . 3 1	

* E X C L U D E S T W O - P A R E N T H O U S E H O L D S .
* U N D U P L I C A T E D C A S E S , R E C I P I E N T S , A N D P A Y M E N T S





The following charts depict caseload decline.

The first chart tracks the monthly active Cash Assistance caseload figures with seasonally-adjusted unemployment rates on a statewide basis. The graph depicts the relationship between unemployment patterns and the number of households receiving Cash Assistance.

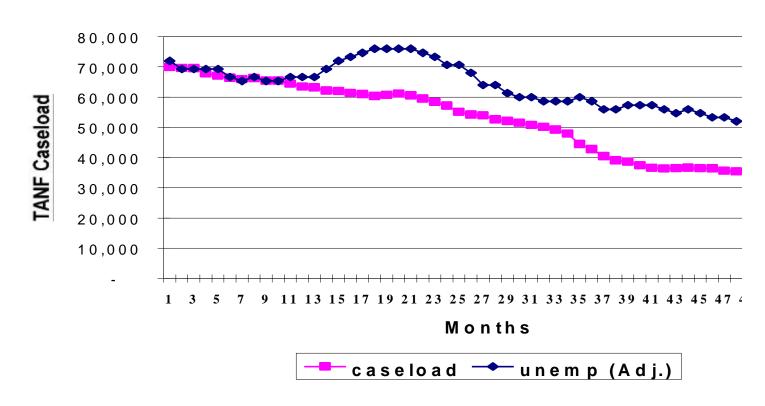
The second chart compares the average number of Cash Assistance cases and the rate of Cash Assistance cases reduced per month among three different welfare programs in Arizona (the former Aid to Families with Dependent Children, EMPOWER and EMPOWER Redesign). This chart shows the differences in caseload reduction across the three programs since 1995.

The third chart tracks statewide monthly Cash Assistance recipient totals with monthly average Cash Assistance household counts. The chart shows the relationship between changes in the total number of recipients and the number of recipients per household.

The fourth chart tracks statewide monthly number of Cash Assistance cases with the average Cash Assistance payments per household. This chart shows whether changes in the statewide Cash Assistance caseload are related to a change in the average Cash Assistance payment amount per household.

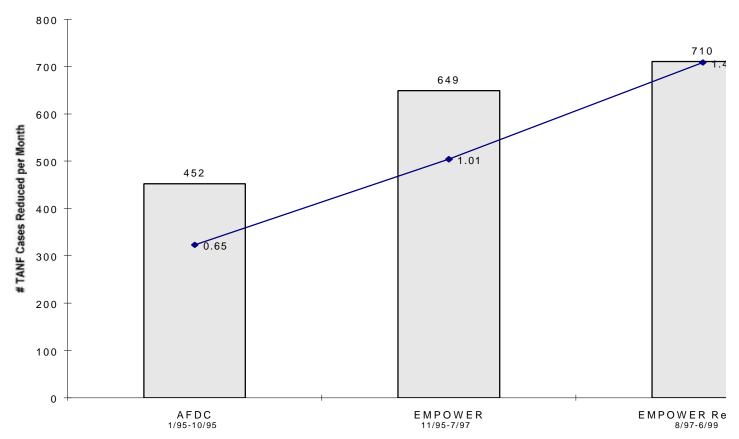
The fifth chart tracks the change in the monthly average Cash Assistance caseload and the gross statewide monthly Cash Assistance payments. The chart shows whether change in the statewide caseload is commensurate with the change in the statewide gross Cash Assistance payment amount.

Statewide TANF Caseload and Seasonally Adjusted Unem Rate - January 1995 - June 1999



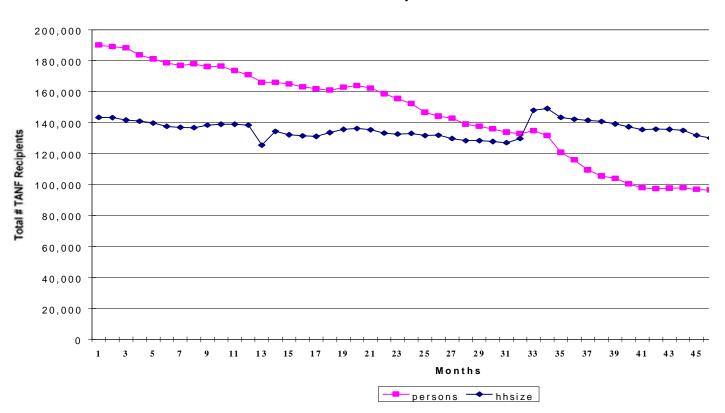
Appendix #6 continued

Statewide Average Number and Rate of TANF Caseload Reduction per Month by Effecti January 1995 - June 1999



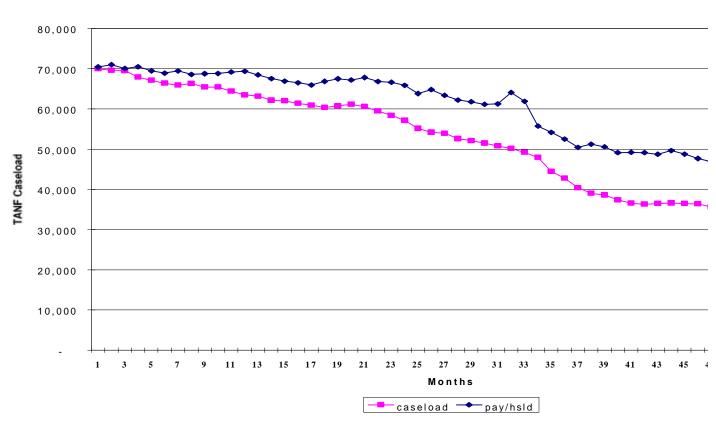
Appendix #6 continued

Statewide Number of Persons Receiving TANF and Number Receiving TANF per Hou January 1995 - June 1999



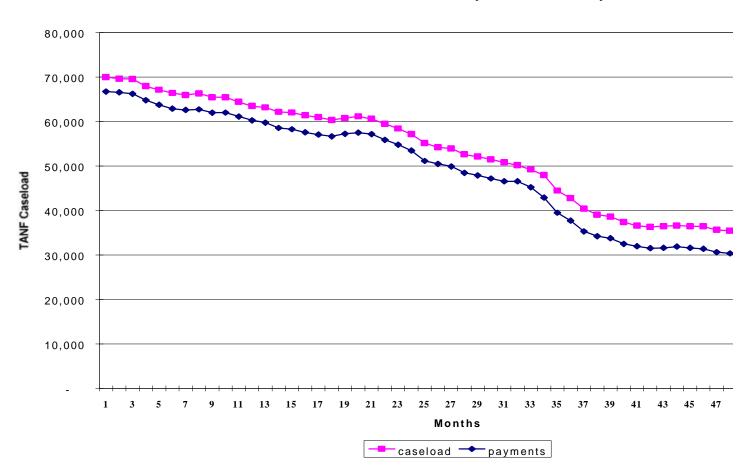
Appendix #6 continued

Statewide TANF Caseload and TANF Payments per Household - January 1995 - J



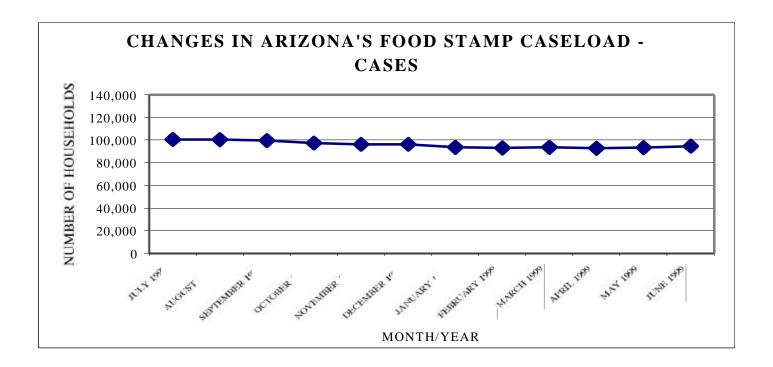
Appendix #6 continued

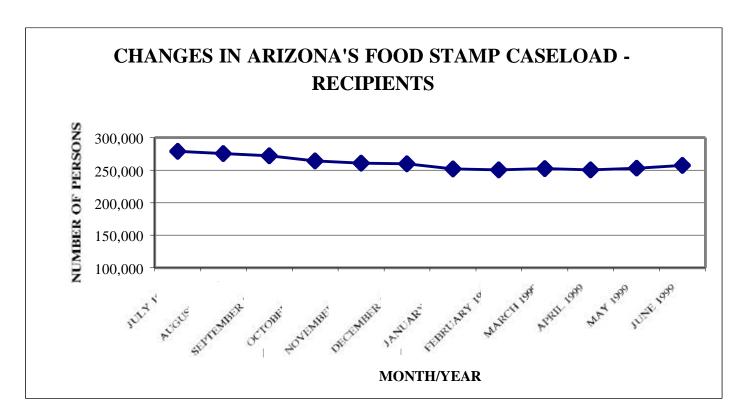
Statewide TANF Caseload and TANF Payments - January 1995 - June 199

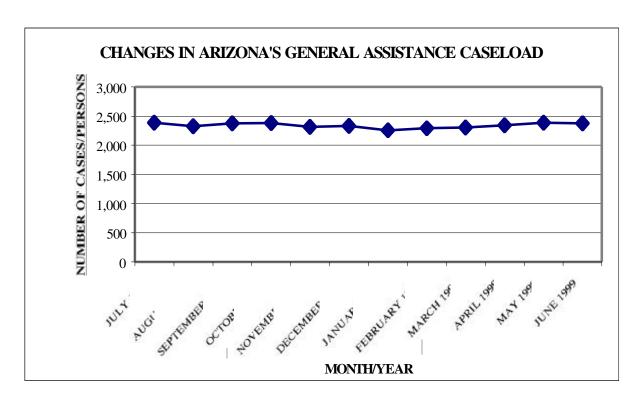


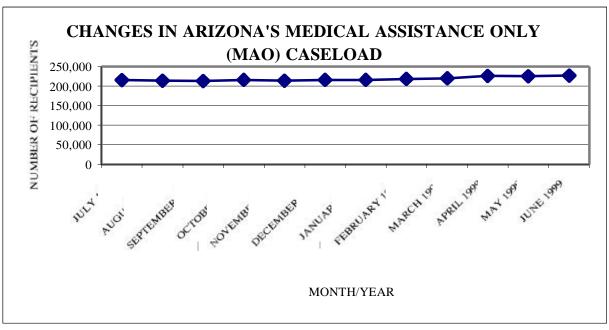
Appendix #7

The following four charts show the caseload decline in Food Stamps (Cases and Recipients), General Assistance and Medical Assistance Only cases.









CASH ASSISTANCE CASES WITH BENEFIT CAP CHILDREN SFY99

Number of months children are subject to the Family Benefit Cap

COUNTY	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	ТОТА
АРАСНЕ	181	187	198	212	216	238	242	243	241	232	227	234	2,65
COCHISE	128	130	134	137	148	150	155	158	152	157	151	158	1,75
COCONINO	74	76	77	81	83	87	90	101	102	108	100	91	1,07
GILA	62	57	65	59	71	73	75	76	76	77	79	76	84
GREENLEE	6	7	7	5	7	4	4	4	5	4	4	4	6
GRAHAM	34	38	40	41	40	43	45	42	41	36	35	34	46
LA PAZ	15	15	15	17	12	13	12	12	11	12	13	17	16
MARICOPA	1759	1827	1871	1975	2003	2033	2,068	2,099	2,167	2,219	2,107	2099	24,22
MOHAVE	79	72	73	66	64	63	70	77	80	83	77	86	89
NAVAJO	119	124	124	133	142	146	153	157	157	165	166	174	1,76
PIMA	618	639	627	648	635	663	689	715	724	737	735	739	8,16
PINAL	179	195	197	202	219	208	225	224	227	241	235	236	2,58
SANTA CRUZ	26	29	32	31	27	29	31	32	32	27	25	28	34
YAVAPAI	43	42	49	45	40	39	41	43	39	43	43	45	51
YUMA	104	112	113	127	130	131	118	115	106	94	105	113	1,36
UNKNOWN	1	1	2	1	0	1	0	0	0	1	3	6	1
TOTAL	3,428	3,551	3,624	3,780	3,837	3,921	4,018	4,098	4,160	4,236	4,105	4,140	46,89

Note: Duplicate count

TEEN PARENTS NOT ON CASH ASSISTANCE SFY 99

Number of months teen parents are ineligible for cash assistance

Number of months teen parents are ineligible for cash assistance													
COUNTY	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
АРАСНЕ	0	1	1	2	0	0	0	0	2	3	3	2	14
			_		-		-	-		-			
COCHISE	1	1	1	2	1	0	0	2	2	9	9	5	33
COCONINO	0	0	0	0	0	0	0	0	0	1	0	0	1
GILA	1	1	1	2	4	4	2	2	2	0	0	0	19
GREENLEE	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAHAM	0	0	0	0	0	1	1	0	0	0	0	0	2
LA PAZ	0	0	0	0	0	0	0	0	0	0	0	3	3
MARICOPA	31	36	31	34	37	33	22	24	29	45	37	29	388
MOHAVE	4	4	3	3	3	2	2	3	3	2	0	1	30
NAVAJO	1	1	3	4	2	0	1	1	1	0	0	0	14
PIM A	6	9	9	13	13	15	13	15	12	3	8	7	123
PINAL	2	2	2	2	0	0	0	0	2	3	1	1	15
SANTA CRUZ	2	2	2	2	0	0	0	0	0	0	0	0	8
YAVAPAI	2	1	2	1	0	0	2	2	2	3	1	1	17
YUMA	5	3	1	1	1	0	0	0	0	1	1	1	14
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SFY99	55	61	56	66	61	55	43	49	55	70	60	50	681
STATEWIDE SFY98	140	131	134	121	82	89	80	72	73	64	62	61	1109

Note: Duplicate Count

SFY99 CASH ASSISTANCE CASES - 25% SANCTIONED

COUNTY	7/98	8/98	9/98	10/98	11/98	12/98	1/99	2/99	3/99	4/99	5/99
APACHE	4	10	27	25	12	8	15	18	10	11	2.
COCHISE	26	23	29	23	25	25	19	25	18	24	3
COCONINO	14	4	7	6	5	6	3	2	9	5	2:
GILA	5	5	5	6	10	9	11	13	11	15	1
GREENLEE	0	0	1	0	0	1	4	0	1	3	
GRAHAM	1	5	2	2	2	11	9	2	8	9	2
LA PAZ	4	7	6	3	7	0	3	2	6	6	1
MARICOPA	537	338	367	387	447	390	401	305	325	390	25
MOHAVE	33	19	20	16	13	25	24	16	15	45	4
NAVAJO	6	10	22	26	17	22	36	14	12	24	2
PIMA	145	143	174	145	131	114	83	78	88	149	16
PINAL	41	26	35	43	34	38	38	25	16	36	3
SANTA CRUZ	6	4	5	6	6	6	8	7	3	7	,
YAVAPAI	23	13	26	26	36	24	34	19	19	27	1:
YUMA	47	27	30	34	30	27	25	23	23	23	2
UNKNOWN	0	0	0	1	1	0	2	2	2	1	(
TOTAL	892	634	756	749	776	706	715	551	566	775	69

Appendix #10 continued

SFY99 CASH ASSISTANCE CASES - 50% SANCTIONED

COUNTY	7/98	8/98	9/98	10/98	11/98	12/98	1/99	2/99	3/99	4/99	5/99
APACHE	6	2	8	12	14	7	7	7	6	8	
COCHISE	25	22	15	26	13	15	17	13	20	18	1
COCONINO	3	11	4	5	5	2	6	3	2	5	,
GILA	8	4	2	1	3	5	8	7	7	8	
GREENLEE	0	0	1	0	0	0	0	3	0	1	1
GRAHAM	0	2	3	3	1	2	4	8	2	3	!
LA PAZ	3	4	7	1	5	8	3	3	2	5	
MARICOPA	356	354	255	267	295	318	320	271	212	263	26
MOHAVE	16	25	11	18	9	6	18	17	14	11	3:
NAVAJO	19	8	14	16	23	28	27	32	23	13	2
PIMA	90	98	103	132	98	92	84	68	71	84	11
PINAL	30	30	26	24	28	23	34	30	19	16	2
SANTA CRUZ	6	8	3	9	8	2	2	2	4	2	
YAVAPAI	16	17	7	7	13	23	14	24	12	15	1
YUMA	12	29	22	27	22	27	16	19	19	18	1
UNKNOWN	0	0	0	0	0	0	0	0	0	2	-
TOTAL	590	614	481	548	537	558	560	507	413	472	55
	ı										

Appendix #10 continued

SFY99 CASH ASSISTANCE CASES CLOSED DUE TO SANCTIONS

COUNTY	7/98	8/98	9/98	10/98	11/98	12/98	1/99	2/99	3/99	4/99	5/99
APACHE	3	3	3	6	9	4	3	5	5	1	,
COCHISE	11	17	9	9	12	11	6	12	10	13	1:
COCONINO	1	2	5	5	5	3	3	2	2	1	;
GILA	1	4	3	2	1	2	6	5	1	3	
GREENLEE	1	0	0	0	0	0	0	0	1	1	,
GRAHAM	7	1	2	4	3	2	1	4	4	3	
LA PAZ	3	5	8	7	6	2	8	2	4	4	
MARICOPA	349	348	362	269	290	292	353	252	235	265	22
MOHAVE	20	11	21	13	14	12	5	23	9	19	1
NAVAJO	14	7	4	9	11	13	13	16	13	19	1
PIMA	80	71	78	86	102	90	91	89	83	91	7
PINAL	33	38	30	28	32	26	27	21	24	23	1
SANTA CRUZ	1	2	4	0	8	4	3	1	3	6	
YAVAPAI	16	15	14	7	12	9	14	10	21	13	1,
YUMA	26	19	43	31	35	34	35	18	14	25	2
UNKNOWN	0	0	0	0	0	0	1	1	0	0	
TOTAL	566	543	586	476	540	504	569	461	429	487	43

TEEN PREGNANCY PREVENTIONS PROGRAMS

MARICOPA COUNTY:

<u>Passion and Principle</u> Passion and Principle is a non-profit organization which has provided Abstinence Only Education to the state since 1994. Passion and Principle has taught in the community's public schools and has established itself as a leader and innovator in this field of education. The state contract covers about 30 middle and high schools in Maricopa County. The program is using *Abstinence Only* curricula.

<u>Mercy Healthcare Arizona</u> Mercy Healthcare Arizona-St. Joseph's Hospital in collaboration with the A.C. Green Youth Foundation, provides Abstinence Education in three low income urban school districts located in central Phoenix. Abstinence Only Sexual Education curriculum and related topics is provided to students in grades 6,7, and 8 and to teachers, appropriate school faculty and persons in the community.

In addition to classes and teacher training, each school has an Abstinence Club that will be based on a commitment to choosing sexual abstinence until marriage. These clubs have direct and personal contact with A.C. Green, a National Basketball Association professional, and there are additional activities and information related to abstinence education and support for the club members. Teachers at the three school districts are given the opportunity to participate by including Abstinence Only Education in their curriculum. Trained instructors who are committed to delivering the abstinence until marriage message provide the training. The curriculum used is "It Ain't Worth It" which is owned and copyrighted by A.C. Green and copyrighted by A.C. Green Foundation, Inc. The belief is that A.C. Green provides a wonderful role model and advocate for young people, as he is credible, can speak to abstinence, and "walks the talk". A.C. Green is personally involved with teacher training and with students.

Mountain Park Health Center The South Central Abstinence Until Marriage Initiative, set forth by coalition members representing health care, recreation, behavioral health and the faith community, is a multi-level, community oriented, school based recreation and education program designed to promote abstinence as the only certain way to avoid pregnancy and decrease health risks associated with pre-marital sex. To counter the media images of "Just Do It" and nightly images of pre-marital sex on television, the South Phoenix Abstinence Only Coalition is committed to developing and implementing creative and innovative strategies which help children realize sex can wait until marriage. The goal is for the young people of the community to recognize the importance of believing in their future as opposed to pursuing immediate gratification that often has dire consequences.

Mountain Park Health Center, in partnership with the South Mountain YMCA and Southwest Behavioral Health Services, presents the "Sex Can Wait" curriculum primarily to youth in grades 5 through 8 in South Phoenix/South Mountain area schools. Presentations also occur for youth attending the local YMCA. In addition, individual services are provided to high-risk youths.

<u>Catholic Social Services of Central & Northern Arizona</u> Catholic Social Services, in collaboration with Christian Family Care Agency, provides services in the central and northwest

of Maricopa County not served by the other providers. Group presentations and educational opportunities are offered to schools, churches, youth groups and current clients of the three agencies as well as clients of other social service agencies. Four curricula are offered – Facing Reality and Choosing the Best (grades 7-9), Managing Pressure Before Marriage (grades 4-6), and Plain Talk for Parents. The goal of the program is to be flexible and to respond to the needs of the community as they emerge, providing programs that will meet the needs of the identified target group.

Arizona State University (ASU) College of Nursing) In a joint initiative sponsored by ASU Community Health Services Clinics and the Salvation Army, an Abstinence Only Education Program is being implemented at two of the Salvation Army Drug and Alcohol Recovery Centers in Phoenix. The target population for this jointly sponsored program is approximately 150 men and women. These classes are repeated three times during the year. The weekly classes on Abstinence Only are taught by two family nurse practitioners over a period of ten weeks. Staff and resident involvement is encouraged. Residents are tracked for one year following participation in the classes.

PIMA COUNTY:

<u>Pima Prevention Partnership (PPP)</u> Pima Prevention Partnership, in conjunction with subcontractor Luz Social Services and Stork's Nest, are providing abstinence education programs to various target groups in the Tucson area. The targeted populations for Luz Social Services, Inc. are male and female youth ages 10 to 19 years of age in grades 4 through 12 and their parents. The target area is focused on the southside of Tucson and is primarily a Hispanic, Spanish-speaking population. Stork's Nest targets youth grades 4 through 12 and unmarried adults age 19 and up, primarily African American. The Stork's Nest focuses on church groups in central and downtown Tucson but will expand as opportunities evolve.

Pima Prevention Partnership has subcontracted with several individual instructors to provide services to parents of youth grades 4 through 12, middle school youth grades 6 through 8, high school youth grades 9 through 12, young adults and adults. The target areas are those areas of Tucson that are not currently receiving service by another provider. *Managing Pressures and Plain Talk* are the two curriculums that are currently being used. Pima Prevention is reviewing other curriculum to integrate into the program at the different grade levels. Pima Prevention continues to be an active participant in the Pima County Coalition.

<u>Pima Youth Partnership</u> The Pima Youth Partnership facilitates the development of plans for Pima County rural communities. Through this process, the communities choose curricula that meets one or more of the criteria identified in the Personal Responsibility and Work Opportunity Act of 1996. They develop abstinence only education group sessions for youth, parents and community members in Ajo, rural Marana, and Catalina, an area along South Old Nogales Highway in rural Pima County.

Seven strategies are utilized to develop a plan for the communities: (1) Cross Training: Orient and cross train coalition members, sub-contractors and staff in planning and facilitation skills and in the delivery of federally approved Abstinence Only Education curricula. (2) Planning: Facilitate culturally sensitive community-wide Abstinence Only Education planning sessions that

are inclusive of individuals affected by the high birth rates to unwed mothers. (3) Awareness Building: Develop and implement and Abstinence Only Education Campaign with coalition members and community stakeholders throughout the county. (4) Implementation: Coordinate community requests for Abstinence Only Education plans and coordinate and monitor educational service provided by sub-contractors who are specifically skilled in serving rural populations. (5) Capacity Building: Train adult volunteers (agents of change) and teen peer educators to assist with delivering Abstinence Only Education at various sites throughout rural Pima County on an ongoing basis. (6) Policy Development: Institutionalize Abstinence Only Education in publicly and privately funded programs that serve the target groups in rural areas of Pima County. (7) Evaluation: Participate in an ongoing evaluation process to make overall program adjustments on an as needed basis.

Child and Family Resources, Inc. Child and Family Resources, Inc. "Girl Talk" and "Guy Talk" (GT) programs emphasize abstinence only education within a broader prevention context. These twelve session, gender and developmentally tailored curricula, use social skills training and psycho-educational methods to equip middle school youth with the tools they need to build personal strengths and resist pressures to engage in premarital sexual activity. Companion curricula for each program are distributed to parents of all participants. The GT programs are offered through school based clubs, Happy Hours Junior Leaders summer program, and in conjunction with Tucson Parks and Recreation's MIDCO after school recreation program during the school year. Five youth worker training sessions are offered during the course of the year.

COCHISE AND SANTA CRUZ COUNTIES:

<u>Child and Family Resources – Sierra Vista</u> Child and Family Resources, Inc. in collaboration with three Cochise County School Districts located in Sierra Vista, Palominas and Tombstone, and the Santa Cruz County School District consortium, along with the Cochise and Santa Cruz County Juvenile Probation Departments, Sierra Vista and Nogales Choices for Family Programs, Mary's Mission, and other Cochise and Santa Cruz County Community agencies will provide abstinence-only education to approximately 5,000 children age 10 through 14. The program will use the *Managing Pressures* and *Sex Can Wait* curriculum. The educators will focus on fourth through eighth grade students. Parents and the community will be educated through presentations prior to each cycle of instruction as well as ensuring that parents can see the curriculum at the school offices.

COCONINO COUNTY:

<u>Tuba City Medical Center</u>) The contract awarded to the United States Public Health Services, Indian Health Services, Tuba City Medical Center will begin on August 1, 1999. During the first sixty days of the program an Advisory Board will be developed, an Adult and Youth Abstinence Only counselor will be hired and an Education Plan will be developed. The services will be provided to children ages 11-19 and parents, youth workers, and adults committed to youth. The Abstinence Only Education program will use the <u>Managing Pressure Before Marriage</u> curriculum in the school-based program. The program will include components focusing on the Navajo philosophy of child bearing, clan systems, and Navajo Beauty Way, as well as

information on alcohol and drugs including the negative effects they can have on an individual's sexual behavior. The Adult component will provide education to community workers who work with youth and to the community and parents in a variety of settings depending on the needs of the community.

Northern Arizona University) The initial phase of the program will be to develop a service plan, in conjunction with Flagstaff Jr. High and Flagstaff High School faculty and administration and parents. During the first year of the program, the A.C. Green, "I've Got the Power" curriculum materials will be used. The initial plan is to recruit 40 to 60 students for an after-school program that will encompass the stated curriculum and physical activity. The program, administered by Masters of Public Health students at NAU, will run 12 weeks for a total of 36 hours. The program uses physical activities to promote abstinence education via alternatives to participation in sexual behaviors. Youth need positive activities to fill the void of unstructured time that otherwise might be spent developing unhealthy relationships which may result in sexual activity. The physical activity chosen for any particular session will depend on the curriculum focus of that session as the physical activity will be integrated with the lesson focus.

GILA COUNTY:

<u>University of Arizona (U of A) Gila County Extension</u> In Gila County, there is an ongoing coalition focusing on the problem of teenage pregnancy. This coalition provides the oversight for the abstinence only program. The program has both community based and school based components in order to serve a broad age range and target efforts in the towns of Globe, Miami, and Hayden-Winkelman, the San Carlos Apache Reservation and surrounding areas. The goal of the Gila County initiative is to directly impact individual decision making and to change a community culture from one of mixed messages about sexuality and teen pregnancy to one that promotes abstinence as a healthy choice. In the school-based portion of the program, high school students are trained to provide the *Postponing Sexual Involvement* Curriculum to elementary and Junior High students. This curriculum includes an interactive theater component with skits on abstinence. High school juniors and seniors are also recruited to mentor incoming freshman students. This program is provided in four school districts: Globe, Miami, Hayden-Winkelman and San Carlos. The Program is also establishing a framework for providing services in Payson.

The community-based portion of the program includes educational seminars for parents of children participating in the *Managing Pressures Before Marriage* program, training adult coaches to mentor the high school students who teach PSI, educational groups for college students at three campuses of Eastern Arizona College and seminars/brown bag lunch classes that are open to the public.

NAVAJO COUNTY:

<u>Arizona Psychology Services</u> The Abstinence Only Project (AOP) is a consortium of northeastern Arizona educational and community based organizations under the direction of a private sector psychology practice venture entitled Arizona Psychology Associates (APA). The partnership includes area schools and Madonna House Youth Ministries. The objectives of AOP are directed toward children and young adults in Winslow, Arizona with the goal of teaching

sexual abstinence as the behavioral standard prior to marriage and thereby reducing the unwed birth rate for the targeted age group. The programmatic components of AOP include using the *FACTS* curriculum in public and private schools and the Indian dormitory, parent/teen workshops, small group educational interactions, monthly social activities and retreats. Each of these elements is designed to provide information as well as skills to assist the individual in selecting sexual abstinence before marriage as a viable and healthy choice.

MOHAVE COUNTY:

<u>Westcare</u> Westcare Arizona, a nonprofit agency located in Mohave County, was awarded a contract on March 15, 1999. The contractor will provide services to high-risk youth and parents, youth workers, and adults committed to high-risk youth. The agency will develop a coalition, consisting of youth and adults, to act as an advisory board on issues related to the program and to assist in keeping the pulse of the community for the issue of "Abstinence Only Education." Westcare will be working with the Juvenile Court system and Juvenile Probation Officers to provide a minimum of five hours of abstinence instruction to youth and parents of youth in the Juvenile Probation system. *Managing Pressures* and *Facing Reality* are the two curriculums that will be used. The agency will enlist various professionals in the area to assist with guest presentations to youth and adult participants.

PINAL COUNTY:

Pinal County Health Department The Pinal County Health Department in a collaboration with Pinal County Cities in Schools, provides Abstinence Only Education to youth and adults in Pinal County. The program provides the following services for youth throughout Pinal County: (1) classroom education using the *Sex Can Wait* curriculum for 5th and 6th grade students, specifically in the areas of Apache Junction, Coolidge, Florence, Maricopa and Superior; (2) a youth development program for 5th and 6th graders in Coolidge; (3) Abstinence Awareness Weeks for 7th and 8th grade students in aforementioned areas; and (4) the development of an abstinence drama team to give performances to 5th through 8th grade students throughout Pinal County.

YAVAPAI COUNTY:

<u>Catholic Social Services of Central & Northern Arizona</u> Abstinence Education in Yavapai County is a separate component of the Teenage Pregnancy Prevention Program (TAPP), a community coalition in central Yavapai County. The lead agency is Catholic Social Services with other collaborators being the Yavapai County Health Department, West Yavapai Guidance Clinic, Yavapai Big Brothers/Big Sisters, and Prescott Unified School District. Abstinence Education will expand throughout the county providing services to the Verde Valley and central Yavapai County. In the past, the focus has been primarily on the Prescott Area, which varies culturally from the Verde Valley. In this project, efforts will be made to form a coalition in the Verde Valley to address the needs of that area.

Abstinence Education in Yavapai County will lead group presentations in schools, churches, youth groups and other community organizations. Five curricula will be offered: *Facing Reality and Choosing the Best* (grades 7-9), *Managing Pressure Before Marriage* (grades 4-6), *Plain Talk for Parents*, and *Choices. Baby Think it Over* computerized dolls will be purchased to use

with the *Guys and Dolls* curriculum. A Catholic Social Service subcontractor, Humboldt Unified School District is providing additional services in the form of a curriculum in the middle schools; a Creative Writing Seminar for teens and adults and a Drama/Comedy/Musical presentation using actors from the schools, and a drama initiative is being presented to middle schools throughout the county.

YUMA COUNTY:

Arizona-Mexico Border Health Foundation The Abstinence Only Education Program "Worth the Wait"/"Vale la Pena Esperar" provides cultural, linguistic, gender, developmental age and special needs appropriate services to pre-adolescents and adolescents residing in Yuma County in the communities of Yuma, Wellton, Somerton and San Luis. The partnership includes the Puentes de Amistad community organization, area schools, Valley Health Center and other groups. The focus of the program is to: (1) educate youth about abstinence from sexual activity outside marriage as the expected standard for all school age children; (2) teach that abstinence from sexual activity is the only way to avoid out-of-wedlock pregnancy, sexually transmitted diseases and other associated health problems; and (3) teach youth how to reject sexual advances, and how alcohol and drug use increases vulnerability to sexual advances.

Through extensive collaboration with interested individuals and community groups, representatives from local churches, schools, medical providers and social service agencies, a work plan is developed to address the issue of teen pregnancy prevention, out-of-wedlock births and other risks associated with them.

The Yuma County University of Arizona Cooperative Extension subcontracts with Puentes de Amistad to provide Train-the-Trainer education to a group of youth to teach about Abstinence Only Education. The curriculum used is "Managing Pressure Before Marriage" developed by Marion Howard Ph.D. and Marie Mitchell, R.N. Some modification were made to meet the project requirements. The project includes an evaluation component regarding process and outcome as required by ADHS statewide evaluation contractors.

ADHS Abstinence Only Education Program - 1998/1999 Accomplishments

♦ Local Projects

The program awarded 13 contracts to local projects in May 1998, to provide community based abstinence education services. An additional request for proposals was released in November 1998, targeting four rural counties and areas of Pima and Maricopa Counties not currently receiving services. Contracts were awarded in March 1999, to three additional contractors, bringing the total to 16 covering 11 out of the 15 counties in the state. A contract with the Indian Health Service in Tuba City serving the western portion of the Navajo Indian Reservation is currently pending. Contractors are required to provide a minimum of five contract hours to a minimum of five participants. During the first year of programming, approximately 11,000 persons were served in at least one program session. Of this number served in the first year, a total of 5,675 participants completed an abstinence education course. The majority of those participants (87.5 percent) were ages 11 to 18 years old.

During the past year, many contractors formed or participated in a local coalition, as required, which provided assistance with outreach, contract matching requirements and support with abstinence education activities.

♦ Media Campaign

The request for proposals for media services was released in May 1998 and a contract was awarded in September 1999 to Winward and Cooley Advertising, Inc. The statewide media campaign to promote sexual abstinence until marriage was launched January 14, 1999. Three television spots were developed in English and Spanish and were scheduled to run on cable and major networks throughout the state. Print ads, brochures and a web site at www.sexcanwait.com were also prepared. Two 30-second radio ads, also produced in English and Spanish, were placed on radio stations across the state. A survey conducted of students to examine recall and recognition of the ads found that urban high school students did report a 32.8 percent recall of the Wedding Cake ad. A series of three new consequence based ads are being finalized that focus on the teen male and will begin running on television stations in the Fall of 1999.

Evaluation Component

The request for proposals for the independent evaluation of contractor services including the media campaign was issued in January 1998. LeCroy & Milligan, Associates from Tucson were awarded the contract in May 1998. A pre and post survey tool was developed to be administered to abstinence only education program session participants by the contractors. Data collection began in the Fall of 1998. A draft annual evaluation report including the results of the data collected for each project has been prepared and is awaiting final review.

♦ <u>Meetings/Conferences/Site Visits</u>

Throughout 1998 and 1999, quarterly technical assistance meetings were held in Phoenix for the abstinence only education program contractors. Speakers were brought in to provide additional information and education related to abstinence only education, coalition building techniques and fund raising. An abstinence only education conference was held June 3, 1999, which attracted both local and national participants. Educational sessions were presented by leaders in the abstinence only education field. Over 110 persons attended the one-day event. The Program was successful in completing thirteen site visits between December 1998 and June 1999. Many issues were covered and technical assistance was provided if necessary. Final reports were compiled for each contractor.

Laws 1997, Chapter 300, Sec. 76. Annual report

By September 1 of each year, the department of economic security shall submit a report to the president of the senate, speaker of the house of representatives and governor regarding welfare reform implementation. The report shall include information on outcome measures such as length of employment, amount of earned income, hourly wage, hours worked per week, total family income, health coverage, use of child care, issues concerning welfare reform in rural areas, housing, number of out-of-wedlock births, length of deferral for victims of domestic violence, level of participation in job training, education for the transition to self-sufficiency and number of substantiated cases of child abuse and neglect. The information shall be for the most current year and the previous year and shall be compiled in a manner and form that allow an assessment of the effectiveness of welfare reform in this state, including areas in which temporary assistance for needy families is being operated by the Arizona works agency pursuant to title 46, chapter 2, article 9, Arizona Revised Statutes, as added by this act.

